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

DRIVING SAFETY THROUGH INNOVATION

DRAFT RED HERRING PROSPECTUS
Dated June 12, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

ASK AUTOMOTIVE LIMITED

CORPORATE IDENTITY NUMBER: U34300DL1988PLC030342

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND E-MAIL	WEBSITE
Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India	Plot No. 13, 14, Sector 5, IMT Manesar, Gurugram 122 050, Haryana, India	Rajani Sharma *Vice President (Legal), Company Secretary and Compliance Officer*	+91 124 439 6907 compliance@askbrake.com	www.askbrake.com

OUR PROMOTERS: KULDIP SINGH RATHEE AND VIJAY RATHEE

DETAILS OF THE OFFER TO PUBLIC

TYPE	FRESH ISSUE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBS, NIIS AND RIIS
Offer for Sale	Not applicable	Up to 29,571,390 Equity Shares aggregating up to ₹ [●] million	Up to 29,571,390 Equity Shares aggregating up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For details, see "***Other Regulatory and Statutory Disclosures – Eligibility for the Offer***" on page 389. For details of share reservation among QIBs, NIIs and RIIs, see "***Offer Structure***" beginning on page 410.

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

NAME OF SELLING SHAREHOLDER	TYPE	MAXIMUM NUMBER OF OFFERED SHARES	AGGREGATE PROCEEDS FROM OFFERED SHARES	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (₹)(1)
Kuldip Singh Rathee	Promoter Selling Shareholder	Up to 20,699,973 Equity Shares	Up to ₹ [●] million	0.02
Vijay Rathee	Promoter Selling Shareholder	Up to 8,871,417 Equity Shares	Up to ₹ [●] million	0.02

(1) *As certified by B.B. & Associates, Chartered Accountants by way of their certificate dated June 12, 2023.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹ 2 each and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Floor Price, Cap Price and the Offer Price (as determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, in accordance with SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" beginning on page 106) 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 and/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 investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 29.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Promoter Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements and undertakings expressly made by such Promoter Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Promoter Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements and undertakings, including without limitation, any and all of the statements and undertakings made by or in relation to the Company or its business or the other Promoter Selling Shareholder or any other person, in this Draft Red Herring Prospectus.

LISTING

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

DETAILS OF BOOK RUNNING LEAD MANAGERS

BOOK RUNNING LEAD MANAGER		CONTACT PERSON(S)	TELEPHONE AND E-MAIL
JM FINANCIAL	JM Financial Limited	Prachee Dhuri	+91 22 6630 3030 askauto.ipo@jmfl.com
AXIS CAPITAL	Axis Capital Limited	Simran Gadh/Pavan Naik	+91 22 4325 2183 askauto.ipo@axiscap.in
ICICI Securities	ICICI Securities Limited	Ashik Joisar/Harsh Thakkar	+91 22 6807 7100 askauto.ipo@icicisecurities.com
IIFL SECURITIES	IIFL Securities Limited	Pawan Jain/Pinkesh Soni	+91 22 4646 4728 askauto.ipo@iiflcap.com

DETAILS OF REGISTRAR TO THE OFFER

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

BID/OFFER PERIOD

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

(1) *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
(2) *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*
(3) *UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.*

DRAFT RED HERRING PROSPECTUS
Dated June 12, 2023
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

DRIVING SAFETY THROUGH INNOVATION

ASK AUTOMOTIVE LIMITED

Our Company was incorporated on January 18, 1988 as a private limited company under the Companies Act, 1956, with the name "ASK Automotive Private Limited", pursuant to a certificate of incorporation granted by the Registrar of Companies, Delhi and Haryana ("**RoC**"). Upon the conversion of our Company into a public limited company, pursuant to resolutions passed by our Board of Directors on December 7, 2022 and our Shareholders on December 7, 2022 the name of our Company was changed to "ASK Automotive Limited" and a fresh certificate of incorporation dated January 6, 2023 was issued by the RoC. For details of changes in our name and the registered office of our Company, see "***History and Certain Corporate Matters – Brief history of our Company***" and "***History and Certain Corporate Matters – Changes in the Registered Office***" on page 231.

Registered Office: Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India;
Corporate Office: Plot No. 13, 14, Sector 5, IMT Manesar, Gurugram 122 050, Haryana, India;
Contact Person: Rajani Sharma, Vice President (Legal), Company Secretary and Compliance Officer; **Tel:** +91 124 439 6907
E-mail: compliance@askbrake.com; **Website**: www.askbrake.com; **Corporate Identity Number**: U34300DL1988PLC030342

OUR PROMOTERS: KULDIP SINGH RATHEE AND VIJAY RATHEE

INITIAL PUBLIC OFFERING OF UP TO 29,571,390 EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH ("EQUITY SHARES") OF ASK AUTOMOTIVE LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION, COMPRISING AN OFFER FOR SALE OF UP TO 20,699,973 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY KULDIP SINGH RATHEE AND UP TO 8,871,417 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION BY VIJAY RATHEE ("PROMOTER SELLING SHAREHOLDERS") (THE "OFFER FOR SALE" OR THE "OFFER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 2 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMS, AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, HINDI ALSO BEING THE REGIONAL LANGUAGE OF DELHI, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE AND NSE FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

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

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Offer Price, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors ("**Non-Institutional Category**") of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors ("**Retail Category**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process and shall provide details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders (defined hereinafter)) in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or the Sponsor Bank(s), as the case may be. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "***Offer Procedure***" beginning on page 413.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 2. The Offer Price/Floor Price/Cap Price, as determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations and as stated in "***Basis for Offer Price***" beginning on page 106, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 29.

ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Promoter Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only statements and undertakings expressly made by such Promoter Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, each Promoter Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements and undertakings, including without limitation, any and all of the statements and undertakings made by or in relation to the Company or its business or the other Promoter Selling Shareholder or any other person, in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, [●] shall be the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" beginning on page 443.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
JM FINANCIAL	AXIS CAPITAL	ICICI Securities	IIFL SECURITIES	LINKIntime
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel.:** +91 22 6630 3030 **E-mail:** askauto.ipo@jmfl.com **Investor grievance E-mail:** grievance.ibd@jmfl.com **Contact person:** Prachee Dhuri **Website:** www.jmfl.com **SEBI Registration:** INM000010361	**Axis Capital Limited** 1st Floor, Axis House C-2 Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai 400 025 Maharashtra, India **Tel:** + 91 22 4325 2183 **E-mail:** askauto.ipo@axiscap.in **Investor Grievance E-mail:** complaints@axiscap.in **Contact Person:** Simran Gadh/Pavan Naik **Website:** www.axiscapital.co.in **SEBI Registration:** INM000012029	**ICICI Securities Limited** ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel.:** +91 22 6807 7100 **E-mail:** askauto.ipo@icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com **Contact person**: Ashik Joisar/Harsh Thakkar **Website:** www.icicisecurities.com **SEBI Registration:** INM000011179	**IIFL Securities Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India **Tel:** +91 22 4646 4728 **E-mail:** askauto.ipo@iiflcap.com **Investor grievance E-mail:** ig.ib@iiflcap.com **Contact person:** Pawan Jain/Pinkesh Soni **Website:** www.iiflcap.com **SEBI Registration:** INM000010940	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli West Mumbai 400 083 Maharashtra, India **Tel:** +91 810 811 4949 **E-mail:** askauto.ipo@linkintime.co.in **Investor Grievance E-mail:** askauto.ipo@linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **Website:** www.linkintime.co.in **SEBI Registration No:** INR000004058

BID/OFFER PROGRAMME

Anchor Investor Bidding Date(1)	[●]	Bid/Offer opens on(1)	[●]	Bid/Offer closes on(2)(3)	[●]

(1) Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.
(2) Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.
(3) UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

*Unless the context otherwise indicates, all references to "**the Company**" and "**our Company**", are references to ASK Automotive Limited, a public limited company incorporated under the Companies Act, 1956, and having its Registered Office at Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India, on a standalone basis. Furthermore, unless the context otherwise indicates, all references to the terms, "**we**", "**us**" **and** "**our**" are to our Company and our Subsidiary (as defined below) on a consolidated basis.*

The words and expressions used in this Draft Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, 2013 the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

*Notwithstanding the foregoing, terms in "**Statement of Special Tax Benefits**", "**Industry Overview**", "**Key Regulations and Policies in India**", "**Restated Consolidated Financial Information**", "**Other Financial Information**" "**Outstanding Litigation and Other Material Developments**" and "**Main Provisions of the Articles of Association**", beginning on pages 116, 127, 225, 269, 334, 380 and 434, respectively, will have the meaning ascribed to such terms in those respective sections.*

Company and Selling Shareholders Related Terms

Term	Description
AFFPL	ASK Fras-Le Friction Private Limited.
Articles of Association/AoA/Articles	The articles of association of our Company, as amended from time to time.
ASK Automobiles	ASK Automobiles Private Limited.
ASK-1	The manufacturing unit of our Company situated at 66&67, Udyog Vihar, Phase-1, Gurugram 122 001, Haryana, India.
ASK-2	The manufacturing unit of our Company situated at 30-31, Village Nawada, Fatehpur, Gurugram 122 050, Haryana, India.
ASK-3	The manufacturing unit of our Company situated at 28, Sector-4, IMT Manesar, Gurugram 122 050, Haryana, India.
ASK-4	The manufacturing unit of our Company situated at 79, Sector-6, IMT Manesar, Gurugram 122 050, Haryana, India.
ASK-5	The manufacturing unit of our Company situated at 21, IP-4, Village-Begampur, Haridwar 249 405, Uttarakhand, India.
ASK-6	The manufacturing unit of our Company situated at plot no. 305, Sector-6, IMT Manesar, Gurugram 122 050, Haryana, India.
ASK-7	The manufacturing unit of our Company situated at 155-156, Sector-5, IMT Manesar, Gurugram 122 050, Haryana, India.
ASK-8	The manufacturing unit of our Company situated at 176, Part-I, Narsapur industrial Area, Malur Taluk, Bengaluru 560 001, Karanataka, India.
ASK-9	The manufacturing unit of AFFPL situated at industrial plot number 446-D, Sector 8, Manesar, Gurugram 122 050, Haryana, India.
ASK-10	The manufacturing unit of our Company situated at 6, Sector-2A, IMT Manesar, Gurugram 122 050, Haryana, India.
ASK-11	The manufacturing unit of our Company situated at 166, Rampura Andla Road, Vasna Chhaniyar, Detroj, Ahmedabad 382 140, Gujarat, India.
ASK-12	The manufacturing unit of our Company situated at 13-14, Sector-5, IMT Manesar, Gurugram 122 050, Haryana, India.
ASK-14	The manufacturing unit of our Company situated at 154, Mauja, Village-Theda, P.O.-Manpura, Tehsil-Nalagarh, Solan 174 101, Himachal Pradesh, India.

Term	Description
ASK-15	The manufacturing unit of our Company situated at 107, Sector-6A, IIE SIDCUL, Haridwar 249 403, Uttarakhand, India.
ASK-16	The manufacturing unit of our Company situated at 157-158, Sector-5, IMT Manesar, Gurugram 122 050, Haryana, India.
ASK-17	The manufacturing unit of our Company situated at 76, Sector-3, IMT Manesar, Gurugram 122 050, Haryana, India.
Audit Committee	The audit committee of our Board, as described in "***Our Management – Corporate Governance – Board Committees***" on page 252.
Auditors/Statutory Auditors	The current statutory auditors of our Company, namely, Walker Chandiok & Co, Chartered Accountants.
Audited Standalone Financial Statements	The audited standalone financial statements of our Company, for the years ended March 31, 2023, March 31, 2022, and March 31, 2021, together with all the annexures, schedules and notes thereto.
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof. For further details, please see "***Our Management – Our Board***" on page 241.
Chairman and Managing Director	The chairman, executive and managing director of the Board of our Company, being Kuldip Singh Rathee. For further details, please see "***Our Management – Our Board***" on page 241.
Chief Financial Officer	Chief financial officer of our Company, being Naresh Kumar. For further details, please see "***Our Management – Key Managerial Personnel and Senior Management***" on page 260.
Company Secretary and Compliance Officer	Rajani Sharma, Vice President (Legal), company secretary and compliance officer of our Company. For further details, see "***Our Management – Key Managerial Personnel and Senior Management***" on page 260.
Corporate Office	The corporate office of our Company situated at Plot No. 13, 14, Sector 5, IMT Manesar, Gurugram 122 050, Haryana, India.
CSR Committee	The corporate social responsibility committee of our Board, as described in "***Our Management – Corporate Governance – Board Committees***" on page 252.
Director(s)	Director(s) on our Board. For further details, see "***Our Management – Our Board***" on page 241.
Equity Shares	Equity shares of our Company of face value of ₹ 2 each.
Group Companies	Our group companies identified in accordance with SEBI ICDR Regulations, whereunder the term 'group company' includes (i) companies (other than our Subsidiary) with which there were related party transactions during the years ended March 31, 2023, March 31, 2022 and March 31, 2021 in accordance with Ind AS 24, and (ii) any other companies as considered material by our Board, in accordance with our Materiality Policy, and as identified in "***Group Companies***" beginning on page 266.
Independent Directors	Non-executive independent directors of our Company. For further details of our Independent Directors, see "***Our Management – Our Board***" on page 241.
IPO Committee	The IPO committee of our Board constituted pursuant to the resolution adopted by our Board on June 9, 2023 to facilitate the process of the Offer.
Joint Venture	As on the date of this Draft Red Herring Prospectus, the joint venture of our Company, namely, AFFPL. For further details of, see "***History and Certain Corporate Matters – Joint Venture***" on page 239.
Joint Venture Agreement	Joint venture agreement dated December 5, 2017 executed by and among our Company, Fras-Le S.A. and ASK Friction Private Limited (name changed to ASK Fras-Le Friction Private Limited). For further details, see "***History and Certain Corporate Matters – Key terms of other subsisting material agreements***" on page 238.
Key Managerial Personnel/KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as disclosed in "***Our Management – Key Managerial Personnel and Senior Management – Key Managerial Personnel***" on page 260.
Materiality Policy	The policy adopted by our Board in its meeting dated May 16, 2023 for identification of material companies to be disclosed as group companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations.
Memorandum of Association/MoA	Memorandum of Association of our Company, as amended.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "***Our Management – Corporate Governance – Board Committees***" on page 252.
Non-Executive Director	Non-executive non-independent director of our Company. For further details of our Non-executive Directors, see "***Our Management – Our Board***" on page 241.
Promoter(s)	The promoter(s) of our Company, namely, Kuldip Singh Rathee and Vijay Rathee. For further details, see "***Our Promoters and Promoter Group – Details of our Promoters***" on page 263.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of

Term	Description
	Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "***Our Promoters and Promoter Group – Promoter Group***" on page 264.
Promoter Selling Shareholders / Selling Shareholders	Collectively, Kuldip Singh Rathee and Vijay Rathee.
Registered Office	The registered office of our Company located at Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India.
Registrar of Companies/RoC	Registrar of Companies, Delhi and Haryana at New Delhi, Delhi.
Restated Consolidated Financial Information	Restated consolidated financial information of our Company and Subsidiary (the Company and its Subsidiary together referred to as the "**Group**"), and its Joint Venture, comprising the restated consolidated statement of assets and liabilities of the Group and its Joint Venture as at March 31, 2023 and March 31, 2022, and of our Company and Joint Venture as at March 31, 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows of the Group and its Joint Venture for the years ended March 31, 2023 and March 31, 2022, and of our Company and Joint Venture for the year ended March 31, 2021, the summary statement of significant accounting policies and other explanatory information for the purpose of inclusion in this Draft Red Herring Prospectus prepared in terms of the requirements of: a) Section 26 of Part I of Chapter III of the Companies Act, 2013; b) SEBI ICDR Regulations; and c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
Risk Management Committee	The risk management committee of our Board, as described in "***Our Management – Corporate Governance – Board Committees***" on page 252.
Senior Management	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in "***Our Management – Key Managerial Personnel and Senior Management – Senior Management***" on page 260.
Scheme	Composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company. For further details, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets, etc., in the last 10 years***" on page 235.
Shareholder(s)	The holders of equity shares of our Company, from time to time.
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board, as described in "***Our Management – Corporate Governance – Board Committees***" on page 252.
Subsidiary	As on the date of this Draft Red Herring Prospectus, the subsidiary of our Company, namely, ASK Automobiles.
Whole–Time Directors	The whole–time directors of our Company. For further details of our Whole-Time Directors, see "***Our Management – Our Board***" on page 241.

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form.
Allot/Allotment/Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the transfer of the Offered Shares pursuant to the Offer for Sale to successful Bidders.
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with SEBI ICDR Regulations and the Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors according to the terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The date, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.

Term	Description
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder which is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidder using the UPI Mechanism.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidders	All Bidders except Anchor Investors.
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
ASBA/Application Supported by Blocked Amount	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorizing an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
Axis	Axis Capital Limited.
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), the Refund Bank, the Public Offer Account Bank(s) and the Sponsor Bank(s).
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, described in "***Offer Procedure***" beginning on page 413.
Bid(s)	An indication by an ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable. In the case of Retail Individual Investors Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Investors and mentioned in the Bid cum Application Form.
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires.
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 notified in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located), and in case of any revision, the extended Bid/Offer Closing Date shall also be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations. Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which

Term	Description
	the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located), and in case of any revision, the extended Bid/Offer Opening Date also be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made.
Book Running Lead Managers/BRLMs	The book running lead managers to the Offer, being JM Financial, Axis, ISec and IIFL Securities.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price and shall be less than or equal to 120% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The agreement to be entered into amongst our Company, the Promoter Selling Shareholders, the Syndicate Members, the Registrar to the Offer, the BRLMs, and the Banker(s) to the Offer for, among other things, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account(s), and where applicable, remitting refunds, if any, to such Bidders, on the terms and conditions thereof.
CDP/Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
CRISIL	CRISIL Limited.
CRISIL Report	Report titled "*Assessment of Advanced Braking Systems, Aluminium Lightweighting Precision Solutions and Safety Control Cable Segments*", dated January 2023 prepared by CRISIL, which is exclusively prepared for the purpose of the Offer and issued by CRISIL and is commissioned and paid for by our Company.
Cut-Off Price	Offer Price, which shall be any price within the Price Band, finalized by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, as applicable.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of

Term	Description
	the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com as updated from time to time.
Designated Date	The date on which the funds from the Escrow Account are transferred to the Public Offer Account(s) or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account(s) and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Equity Shares will be Allotted in the Offer.
Designated Intermediary(ies)	SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer.
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated June 12, 2023 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible FPI	FPIs(s) that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices.
Eligible NRI	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid.
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and with whom the Escrow Accounts in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●].
First or sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.
General Information Document/GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs.
IIFL Securities	IIFL Securities Limited.
ISec	ICICI Securities Limited
JM Financial	JM Financial Limited.
March 2021 Circular	SEBI circular dated March 16, 2021 as amended by its circulars dated April 20, 2022 and May 30, 2022.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Mutual Fund Portion	The portion of the Offer being 5% of the Net QIB Portion consisting of [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Net Proceeds	Proceeds of the Offer less Offer expenses.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor

Term	Description
	Investors.
Non-Institutional Category	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares, available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds shall be available for allocation to Bidders with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors subject to valid Bids being received at or above the Offer Price.
Non-Institutional Investors/NIIs	Bidders that are not QIBs or RIIs and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).
NPCI	National Payments Corporation of India.
NR/Non-Resident	Person resident outside India, as defined under FEMA and includes non-resident Indians, FVCIs and FPIs.
Offer	Initial public offering of up to 29,571,390 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] million comprising the Offer for Sale.
Offer Agreement	The agreement dated June 12, 2023 among our Company, the Promoter Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer for Sale	The offer for sale of up to 29,571,390 Offered Shares aggregating up to ₹ [●] million by the Promoter Selling Shareholders in the Offer. For further information, see "***The Offer***" beginning on page 73.
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Red Herring Prospectus which will be decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Red Herring Prospectus.
Offered Shares	Up to 29,571,390 Equity Shares aggregating up to ₹ [●] million being offered for sale by the Promoter Selling Shareholders in the Offer.
Price Band	The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereto. The Price Band and minimum Bid Lot, as decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, will be advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, will finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account Bank(s)	Bank(s) which is a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account(s) will be opened.
Public Offer Account(s)	The bank account(s) opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date.
QIB Portion	The portion of the Offer being not more than 50% of the Offer or [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price.
QIBs/Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Red Herring Prospectus/RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus

Term	Description
	upon filing with the RoC after the Pricing Date.
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made.
Refund Bank	The Banker to the Offer with whom the Refund Account(s) will be opened, in this case being [●].
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, and other applicable circulars issued by SEBI.
Registrar Agreement	The agreement dated June 9, 2023 entered into between our Company, the Promoter Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar to the Offer/Registrar	Link Intime India Private Limited.
Retail Individual Investor(s)/RII(s)	Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion/Retail Category	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares, available for allocation to Retail Individual Investors as per the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date.
RTAs/Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars.
Self Certified Syndicate Bank(s)/SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the "list of mobile applications for using UPI in Public Issues" displayed on SEBI website at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on SEBI website from time to time.
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●].
Share Escrow Agreement	The agreement to be entered into between our Company, the Promoter Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Promoter Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sponsor Bank(s)	[●], being Banker(s) to the Offer, appointed by the Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and/or payment instructions of UPI Bidders using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars.
Stock Exchanges	Together, BSE and NSE.
sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement to be entered into between our Company, the Registrar to the Offer, the Promoter Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bids by the Syndicate.
Syndicate Member(s)	[●]
Syndicate/Members of the	The BRLMs and the Syndicate Members.

Term	Description
Syndicate	
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company and the Promoter Selling Shareholders, on or after the Pricing Date but prior to filing of the Red Herring Prospectus or the Prospectus, with the RoC as the case may be.
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by the NPCI.
UPI Bidders	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application, by way of a SMS directing the UPI Bidder to such UPI application) to the UPI Bidder initiated by the Sponsor Bank(s) to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that shall be used by a UPI Bidder to make an ASBA Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day(s)	All days on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the expression "Working Day" shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression 'Working Day' shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI.

Industry Related Terms

Term	Description
2W	Two-wheeler
3W	Three-wheeler
AB	Advanced braking
ALP	Aluminium lightweighting precision
Aluminium	Aluminium refers to the chemical element and includes aluminium alloys
Asset Turnover Ratio	Asset Turnover Ratio is calculated by dividing Revenue from Operations for the year by the average total assets. Average total assets is calculated as average of total assets at the beginning of the year and at the end of the year.

Term	Description
ATV	All-terrain vehicles
Average Debt to EBITDA ratio	Average Debt to EBITDA ratio is calculated as Average debt divided by EBITDA. Average Debt is calculated as average of the debt at the beginning of the year and at the end of the year. Debt refers to Total Borrowings (non-current and current).
CAGR	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value)^ (1/No. of years between Base year and End year) –1 [^denotes 'raised to']
Capital employed	Total Equity (equity share capital plus other equity) plus total non-current liabilities except non-current lease liabilities.
Cash Flow to EBITDA Ratio	Net cash flow from operating activities divided by EBITDA
CRISIL MI&A	CRISIL Market Intelligence & Analytics
CV	Commercial vehicles
Debt to Equity Ratio (Gearing Ratio)	Total Borrowings divided by Total Equity.
EBIT	Earnings before Interest and Tax, calculated as EBITDA less depreciation
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization Expenses, calculated as profit before share of net profits/losses of joint venture, exceptional items and tax plus finance costs plus depreciation and amortisation expense.
EBITDA Margin (%)	EBITDA as a percentage of total income
ECU	Electric control unit
EHS	Environment, health and safety
EPCG Scheme	Export Promotion Capital Goods Scheme
ESG	Environmental, social and governance
FRAS-LE	FRAS-LE S.A., Brazil
GDC	Gravity die-casting
HMI	Human-machine interface
HPDC	High pressure die-casting
IAM	Independent aftermarket
Indexed Costs	Costs of specified input materials
IT	Information Technology
kWh	Kilowatt hour
LED	Light-emitting diode
LPDC	Low pressure die-casting
MLI	Multilateral Instrument
Net Worth	Net worth represents aggregate value of equity share capital and other equity, as per Restated Consolidated Financial Information
NRS	Nucap Retention System
OEM	Original equipment manufacturer
OES	Original equipment spares
PAT	Profit after tax for the year as appearing in our Restated Consolidated Financial Information
PAT Margin (%)	Profit after tax for the year as a percentage of total income.
PV	Passenger vehicles
QCD	Quality, cost and delivery
Revenue from Operations	Revenue from operations as appearing in our Restated Consolidated Financial Information.
Revenue Growth (%)	Revenue from operations for the current year minus Revenue from operations for the previous year as a % of Revenue from operations for the previous year.
RoACE	Return on average capital employed is calculated as Earnings before interest and taxes (EBIT) divided by Average Capital Employed. Average Capital Employed is calculated as average of the capital employed at the beginning of the year and at the end of the year.
RoAE	Return on average equity is calculated as Total Comprehensive Income for the year divided by Average Equity for the year. Average Equity is calculated as average of the Total Equity at the beginning of the year and at the end of the year.
ROCE	Return on Capital Employed
RoDTEP	Remission of Duties and Taxes on Exported Products
ROE	Return on Equity
SCC	Safety control cables
SCM	Standard cubic meter
Total Borrowings	Total of current borrowings and non-current borrowings
Total Equity	Equity share capital plus Other Equity as per Restated Consolidated Financial Information.

Term	Description
Working Capital Days	Working capital days is computed as inventory days plus trade receivable days minus trade payable days a. Inventory days is calculated as inventory divided by revenue from operations multiplied by 365 days. b. Trade receivable days is calculated as trade receivables divided by revenue from operations multiplied by 365 days. c. Trade payable days is calculated as trade payable divided by revenue from operations multiplied by 365 days.

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual general meeting of shareholders under the Companies Act, 2013.
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under the SEBI AIF Regulations.
Air Act	Air (Prevention and Control of Pollution) Act, 1981.
Banking Regulation Act	Banking Regulation Act, 1949.
BSE	BSE Limited.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
Client ID	Client identification number of the Bidder’s beneficiary account.
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder.
Companies Act, 2013	Companies Act, 2013 read with rules, regulations, clarifications and modifications thereunder.
Consolidated FDI Policy	The Consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time.
COVID-19/Covid-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
CSR	Corporate social responsibility.
Depositories Act	Depositories Act, 1996, read with the rules, regulations, clarifications and modifications thereunder.
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DGFT	Director General of Foreign Trade, Ministry of Commerce.
DIN	Director Identification Number.
DP ID	Depository Participant’s identity number.
DP/Depository Participant	A depository participant as defined under the Depositories Act.
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), GoI.
EGM	Extra-ordinary general meeting.
EIA Notification	the Environmental Impact Assessment Notification, 2006.
EP Act	Environment Protection Act, 1986.
EPCG Scheme	The Export Promotion Capital Goods Scheme.
EP Rules	Environment Protection Rules, 1986.
EPS	Earnings per share.
Factories Act	Factories Act, 1948.
FAME India	Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India Scheme.
FCNR	Foreign Currency Non-Resident.
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the provisions of FEMA.
FDI	Foreign direct investment.
FDI Circular	The Consolidated FDI Policy Circular dated October 15, 2020 issued by the DPIIT (formerly Department of Industrial Policy & Promotion).
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder.
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
Finance Act	Finance Act, 2022.
Financial Year/Fiscal/Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FPIs	Foreign portfolio investor registered with SEBI pursuant to the SEBI FPI Regulations.

Term	Description
FVCI	Foreign venture capital investors registered with SEBI pursuant to the SEBI FVCI Regulations.
FVTPL	Fair Value through Profit and Loss.
GoI/Central Government	The Government of India.
GST	The Goods and Services Tax.
HUF(s)	Hindu undivided family(ies).
Hazardous Wastes Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.
ICAI	Institute of Chartered Accountants of India.
ICAI Guidance Note	Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India.
IEC	Importer-Exporter Code number.
IFRS	International Financial Reporting Standards issued by the International Accounting Standard Board.
Income Tax Act	Income-tax Act, 1961.
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013.
Ind AS 24	Indian Accounting Standard 24, "Related Party Disclosures", notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015.
Ind AS 37	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015.
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.
INR/Indian Rupees/Rupee/₹/Rs.	Indian Rupee, the official currency of the Republic of India.
IST	Indian Standard Time.
IT Act	Information Technology Act, 2000.
KIADB	Karnataka Industrial Areas Development Board.
KPI	Key Performance Indicator.
MCA/Ministry of Corporate Affairs	The Ministry of Corporate Affairs, Government of India.
MSME	Micro, Small or a Medium Enterprise.
Mn	Million
NACH	National Automated Clearing House.
NAV	Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year. Net worth represents aggregate value of equity share capital and other equity and are based on Restated Consolidated Financial Information.
NBFC-SI	A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
NEMMP	The National Electric Mobility Mission Plan 2020.
NCLT	National Company Law Tribunal.
NRE	Non-Resident External.
NRI	Non-Resident Indian.
NRO	Non-Resident Ordinary.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent account number.
Patents Act	Patents Act, 1970.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
RoNW	Return on Net Worth.
RTGS	Real Time Gross Settlement.

Term	Description
Rule 144A	Rule 144A under the U.S. Securities Act.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SCORES	SEBI complaints redress system.
SEBI	Securities and Exchange Board of India, constituted under section 3 of the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
STT	Securities Transaction Tax.
Trade Marks Act	Trade Marks Act, 1999.
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
US$/USD/US Dollar	United States Dollar.
USA/U.S./US	United States of America.
VCF	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 (*now repealed*) or the SEBI AIF Regulations, as the case may be.
Water Act	Water (Prevention and Control of Pollution) Act, 1974.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the 'State Government' are to the Government of India, central or state, as applicable. All references in this Draft Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America. All references in this Draft Red Herring Prospectus to "Brazil" are to the Federative Republic of Brazil. All references in this Draft Red Herring Prospectus to "Japan" are to Japan.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal or a Financial Year or Fiscal Year are to the 12-month period ended on March 31, of that calendar year.

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

Currency and Units of Presentation

All references to "Rupee(s)", "Rs." or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or "U.S. Dollars" or "USD" are to United States Dollars, the official currency of the United States of America.

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

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

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

(*in ₹*)

Currency	**Exchange rate as on**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
USD	82.22	75.81	73.50

Source: Foreign exchange reference rates as available on www.fbil.org.in
Note: Exchange rate is rounded off to two decimal points.

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

Financial and Other Data

Unless stated otherwise or the context otherwise requires, the financial data and financial ratios in this Draft Red Herring Prospectus are derived from the Restated Consolidated Financial Information of our Company and Subsidiary (the Company and its subsidiary together referred to as the "**Group**"), and its Joint Venture, comprising the restated consolidated statement of assets and liabilities of the Group and its Joint Venture as at March 31, 2023 and March 31, 2022, and of our Company and Joint Venture as at March 31, 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows of the Group and its Joint Venture for the years ended March 31, 2023 and March 31, 2022, and of our Company and Joint Venture for the year ended March 31, 2021, the summary statement of significant accounting policies and other explanatory information for the purpose of inclusion in this Draft Red Herring Prospectus prepared in terms of the requirements of: a) Section 26 of Part I of Chapter III of the Companies Act, 2013; b) SEBI ICDR Regulations; and c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further information, see "***Financial Information***" beginning on page 269.

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

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 Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see "***Risk Factors – Other risks – Our Company has prepared financial statements under Indian Accounting Standards. Significant differences exist between Indian Accounting Standards and other accounting principles***" on page 63. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Unless the context otherwise indicates, any percentage or amounts (excluding certain operational metrics), with respect to financial information of our Company in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Conditional and Results of Operations***" beginning on pages 29, 181 and 341, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from the Restated Consolidated Financial Information.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources conform to their respective sources.

Non-Generally Accepted Accounting Principles Financial Measures

Certain measures included in this Draft Red Herring Prospectus, for instance Net asset value per Equity Share, EBITDA, EBITDA Margin, and Return on Capital Employed, among others (the **"Non-GAAP Measures''**), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or U.S. GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. These Non-GAAP Measures and other statistical and other information relating to operations and financial performance should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such Non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further details, see "***Management's Discussion and Analysis of Financial Position and Results of Operations – Non-GAAP Measures***" and "***Risk Factors – Other risks – This Draft Red Herring Prospectus contains certain non-GAAP financial measures***

and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies" on pages 349 and 65.

Industry and Market Data

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Accordingly, no investment decision should be made solely on the basis of such information. The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "***Risk Factors – Other risks – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks***" on page 64.

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "*Assessment of Advanced Braking Systems, Aluminium Lightweighting Precision Solutions and Safety Control Cable Segments*" dated January 2023 ("**CRISIL Report**") prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated November 25, 2022, and such CRISIL Report has been exclusively prepared for the purpose of understanding the industry in connection with the Offer, and commissioned by and paid for by our Company, exclusively in connection with the Offer. Further, CRISIL, vide their consent letter dated June 6, 2023 ("**Letter**") has accorded their no objection and consent to use the CRISIL Report. CRISIL, vide their Letter has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel or our Senior Management. The CRISIL Report is available on the website of our Company at www.askbrake.com/Inspection-material-documents until the Bid/Offer Closing Date. 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.

CRISIL has required us to include the following disclaimer in connection with the CRISIL Report:

"*CRISIL MI&A, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. ASK Automotive Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

In accordance with the SEBI ICDR Regulations, the section "***Basis for Offer Price***" beginning on page 106 includes information relating to our peer group companies, which has been derived from publicly available sources, and accordingly, no investment decision should be made solely on the basis of such information.

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

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "**QIBs**") pursuant to Rule 144A of the U.S. Securities Act and (b) outside of the United States in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. See "***Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions***" on page 393.

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.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "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***", "***will***", "***seek to***", "***strive to***", "***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. All statements in this Draft Red Herring Prospectus that are not statements of historical fact are 'forward-looking statements'.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. This could be due to risks or uncertainties associated with expectations relating to, and including, regulatory changes pertaining to the industry in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, growth and expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, changes in the incidence of any natural calamities and/or violence, regulations and taxes and changes in competition in the industry in which we operate. Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Dependence on the performance of the Indian two-wheeler automotive sector contributing more than 80% of our revenue from operations in each of the last three Fiscals;
- Dependence on our top three customers who contribute more than 50.00% of our revenue from operations, with our single largest customer contributing more than 30% of our revenue from operations in each of the last three Fiscals;
- Our business and profitability being substantially dependent on the availability and cost of our raw materials;
- Dependence on third parties for the supply of raw materials with whom we do not have firm commitments for supply or exclusive arrangements;
- Concentration of our manufacturing facilities in the state of Haryana;
- Our Registered Office and land on which some of our manufacturing facilities are located being leased to us;
- Our manufacturing facilities being located within industrial development corporation premises;
- Under-utilization of our manufacturing capacities and inability to effectively utilize our expanded manufacturing capacities;
- Extending financial support to our Joint Venture, which has incurred losses in the last three Fiscals;
- Our Subsidiary having a negative net worth;
- Pricing pressure from our customers or our inability to fully pass on costs to our customer;
- Being subject to stringent environmental laws and regulations in India; and
- Dependence on the skills and experience of our Promoters, Key Managerial Personnel, Senior Management and employees with technical expertise for our business and future growth.

For details regarding factors that could cause actual results to differ from expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 29, 181 and 341, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoter Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares pursuant to the Offer.

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

SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

*This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including in "**Risk Factors**", "**The Offer**", "**Capital Structure**", "**Objects of the Offer**", "**Industry Overview**", "**Our Business**", "**Our Promoters and Promoter Group**" "**Restated Consolidated Financial Information**", "**Outstanding Litigation and Material Developments**", "**Offer Procedure**" and "**Main Provisions of Articles of Association**" beginning on pages 29, 73, 88, 103, 127, 181, 263, 269, 380, 413 and 434, respectively.*

*Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus is derived from the report titled, "Assessment of Advanced Braking Systems, Aluminium Lightweighting Precision Solutions and Safety Control Cable Segments" dated January 2023 ("**CRISIL Report**") prepared by CRISIL, appointed by our Company pursuant to an engagement letter dated November 25, 2022 and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. For further information, see "**Risk Factors - This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" on page 64. Also see "**Certain Conventions, Presentation of Financial, Industry and Market data – Industry and Market Data**" on page 16. The CRISIL Report is available on the website of our Company at www.askbrake.com/Inspection-material-documents. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Summary of our primary business

We supply safety systems and critical engineering solutions with in-house designing, developing and manufacturing capabilities. Our offerings are powertrain agnostic, catering to electric vehicle ("**EV**") as well as internal combustion engine ("**ICE**") original equipment manufacturers ("**OEMs**"). We commenced our operations in 1989 by manufacturing brake shoe products for two-wheelers ("**2Ws**") and have since diversified our operations to include offerings such as: (i) advanced braking ("**AB**") systems; (ii) aluminium lightweighting precision ("**ALP**") solutions; (iii) wheel assembly to 2W OEMs; and (iv) safety control cables ("**SCC**") products, that we supply in (i) the automotive sector for 2Ws, three wheelers ("**3Ws**"), passenger vehicles ("**PVs**") and commercial vehicles ("**CVs**"), and (ii) the non-automotive sector for all-terrain vehicles ("**ATVs**"), power tools and outdoor equipment.

Summary of industry in which we operate

India is the largest motorized 2W market in the world, with domestic sales of 13.73 million units in Fiscal 2022. (*Source: CRISIL Report*) The 2W segment constitutes ~77% of the total market comprising 2Ws, 3Ws, PVs, and CVs by volume; and ~13% in value terms (~₹642 billion). (*Source: CRISIL Report*) Furthermore, India is also one of the largest exporters of 2Ws in the world. (*Source: CRISIL Report*) CRISIL MI&A expects 2W exports from India to record a CAGR of 10%-12% between Fiscal 2022 and Fiscal 2027, compared with 13.7% between Fiscal 2017 and Fiscal 2022. (*Source: CRISIL Report*) Furthermore, EVs are gaining in India and are growing faster than ICE vehicles across the 2W, 3W and PV sectors. (*Source: CRISIL Report*) In the non-automotive sector, infrastructural growth, especially in emerging economies such as China and India, is a major driver of the power tools market globally. (*Source: CRISIL Report*)

Promoters

Our Promoters are Kuldip Singh Rathee and Vijay Rathee.

For further details, see "***Our Promoters and Promoter Group – Details of our Promoters***" on page 263.

Offer size

The Offer comprises an Offer for Sale of up to 29,571,390 Equity Shares aggregating up to ₹ [●] million by the Promoter Selling Shareholders. The details of the Equity Shares offered by each Promoter Selling Shareholder pursuant to the Offer are set forth below:

S. No.	Name of the Selling Shareholder	Maximum number of Offered Shares	Aggregate proceeds from the Offered Shares	Percentage of pre-Offer Equity Share capital (%)
		Promoter Selling Shareholders		
1.	Kuldip Singh Rathee	Up to 20,699,973 Equity Shares	Up to ₹[●] million	10.50
2.	Vijay Rathee	Up to 8,871,417 Equity Shares	Up to ₹[●] million	4.50
	Total	Up to 29,571,390 Equity Shares	Up to ₹[●] million	15.00

Notes:

(1) The Offer has been authorized by a resolution of our Board dated June 9, 2023. Further, our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholders pursuant to its resolution dated June 9, 2023.

*(2) The Equity Shares being offered by the Promoter Selling Shareholders have been held for a period of at least one year immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For further information, see "**Capital Structure**" beginning on page 88.*

The Offer would constitute [●]% of the post-Offer paid-up equity share capital of our Company. For further details, see "***The Offer***" beginning on page 73.

Objects of the Offer

The Promoter Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting their portion of the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) carry out the Offer for Sale of up to 29,571,390 Equity Shares by the Promoter Selling Shareholders aggregating up to ₹ [●] million; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer. For further details, see "***Objects of the Offer***" beginning on page 103.

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

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

S. No.	Name of Shareholder	No. of Equity Shares held	% of equity share capital
	Promoters*		
1.	Kuldip Singh Rathee	81,488,400	41.33
2.	Vijay Rathee	63,676,200	32.30
Sub-total (A)		**145,164,600**	**73.63**
	Promoter Group		
3.	Aman Rathee	23,789,998	12.07
4.	Prashant Rathee	28,187,999	14.30
5.	Sarla Chahal	1	Negligible
6.	Kanika Rathee	1	Negligible
7.	Vijeta Rathee	1	Negligible
Sub-total (B)		**51,978,000**	**26.37**
Total (A+B)		**197,142,600**	**100.00**

* *Also the Promoter Selling Shareholders*

For further details of the Offer, see "***Capital Structure***" beginning on page 88.

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

The details of certain financial information as set out under the SEBI ICDR Regulations as at and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021, as derived from the Restated Consolidated Financial Information are set forth below:

(in ₹ million except per share data)

Particulars	As at and for the Fiscal ended March 31, 2023	As at and for the Fiscal ended March 31, 2022	As at and for the Fiscal ended March 31, 2021
Equity share capital	394.29	401.79	406.89
Total Equity	6,437.71	6,319.08	6,222.25
Revenue from operations	25,551.67	20,130.83	15,439.92
Profit after tax for the year	1,229.53	826.59	1,062.01
Earnings per Equity Share			
- Basic (1)(2)	6.18	4.09	5.22
- Diluted (1)(2)	6.18	4.09	5.22
Net Asset Value per Equity Share(3)	32.66	31.46	30.58
Total borrowings(4)	3,180.11	1,597.93	798.94

Notes:

(1) Basic EPS and Diluted EPS = Profit attributable to the equity shareholders/ Weighted average number of equity shares outstanding during the year. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of Equity Shares and buy back of Equity Shares completed by our Company.

(2) Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.

(3) Net asset value per equity share =Net worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year. Net worth represents aggregate value of equity share capital and other equity and are based on Restated Consolidated Financial Information.

(4) Computed as total of current borrowings and non-current borrowings.

For further details, see "***Restated Consolidated Financial Information***" beginning on page 269.

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

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

Summary of outstanding litigation

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

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoters	Material pending civil litigation	Aggregate amount involved (in ₹ million)*
Company						
By the Company	4	Nil	Nil	NA	Nil	1.28
Against the Company	Nil	2	2	NA	Nil	46.03
Subsidiary						
By the Subsidiary	Nil	Nil	Nil	NA	Nil	Nil
Against the Subsidiary	Nil	Nil	Nil	NA	Nil	Nil
Directors						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against the Directors	1	1	Nil	NA	Nil	17.97
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	1**	Nil	Nil	Nil	17.97
Group Companies						
Outstanding litigation which may have a material impact on our Company			Nil			

**To the extent quantifiable.*

*** This includes a tax proceedings against our Promoter and Director, Kuldip Singh Rathee.*

For further details of the outstanding litigation proceedings, see "***Outstanding Litigation and Material Developments***" beginning on page 380.

Risk factors

Specific attention of the investors is invited to "***Risk Factors***" beginning on page 29. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of contingent liabilities

The details of our contingent liabilities as on March 31, 2023, as derived from the Restated Consolidated Financial Information are set forth below:

(i) Corporate guarantees given to banks on account of facilities granted by banks to our Joint Venture and Subsidiary

(in ₹ million)

Nature of Contingent Liabilities	As on March 31, 2023
ASK Automobiles Private Limited - Term loan and working capital requirement	2,540.00
ASK Fras-le Friction Private Limited** - Term loan and working capital requirement	835.00
Total	**3,375.00**

*** This amount represents total corporate guarantee given by the Company and AFFPL jointly. Company as co guarantor with AFFPL has given the guarantee equivalent to its shareholding in the Joint Venture.*

(ii) Others

Surety bonds executed by us in favor of the President of India, under Export Promotion Capital Goods Scheme (EPCG) for importing capital goods at concessional rate of custom duty. Amount of duties and taxes saved of ₹43.58 million in the Fiscal ended March 31, 2023, against which there is an unfulfilled export obligation.

For further details of our contingent liabilities (as per Ind AS 37) as on March 31, 2023, see "***Restated Consolidated Financial Information – Notes forming part of restated consolidated financial information – Note 37 - Contingent liabilities***" on page 314.

Summary of related party transactions

The summary of related party transactions entered into by us for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, as derived from the Restated Consolidated Financial Information are as set out in the table below:

(in ₹ million)

Nature of transaction and name of related party	For the year ended	Joint Venture	Entities in which directors of the Company and their relatives are able to exercise significant influence	Wholly Owned Subsidiary	Key Management Personnel
Purchase of goods*					
ASK Fras-Le Friction Private Limited	March 31, 2023	6.75	-	-	-
	March 31, 2022	0.24	-	-	-
	March 31, 2021	0.15	-	-	-
AA Friction Materials Private Limited	March 31, 2023	-	451.14	-	-
	March 31, 2022	-	556.50	-	-
	March 31, 2021	-	445.47	-	-
ASK Automobiles Private Limited	March 31, 2023	-	-	0.16	-
	March 31, 2022	-	-	-	-
Reimbursement of expenses incurred on behalf of company					
ASK Fras-Le Friction Private Limited	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	0.04	-	-	-

Nature of transaction and name of related party	For the year ended	Joint Venture	Entities in which directors of the Company and their relatives are able to exercise significant influence	Wholly Owned Subsidiary	Key Management Personnel
Buyback of Securities - Equity Shares					
Kuldip Singh Rathee	March 31, 2023	-	-	-	900.00
	March 31, 2022	-	-	-	599.25
	March 31, 2021	-	-	-	-
Investments in equity shares					
ASK Fras-Le Friction Private Limited	March 31, 2023	120.05	-	-	-
	March 31, 2022				
	March 31, 2021	-	-		-
ASK Automobiles Private Limited	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	7.50	-
Purchase of fixed assets*					
AA Friction Materials Private Limited	March 31, 2023	-	2.53	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	-
ASK Fras-Le Friction Private Limited	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	0.73	-	-	-
ASK Automobiles Private Limited	March 31, 2023	-	-	36.36	-
	March 31, 2022	-	-	-	-
Rent paid*					
A.P.Automotives Private Limited	March 31, 2023	-	18.19	-	-
	March 31, 2022	-	18.80	-	-
	March 31, 2021	-	16.99	-	-
Mr. Prashant Rathee	March 31, 2023	-	-	-	26.17
	March 31, 2022	-	-	-	24.92
	March 31, 2021	-	-	-	23.79
Mr. Aman Rathee	March 31, 2023	-	-	-	26.17
	March 31, 2022	-	-	-	24.92
	March 31, 2021	-	-	-	23.79
ASK Automobiles Private Limited	March 31, 2023	-	-	1.54	-
	March 31, 2022	-	-	-	-
Receiving of service*					
AA Friction Materials Private Limited	March 31, 2023	-	82.51	-	-
	March 31, 2022	-	84.40	-	-
	March 31, 2021	-	-	-	-
ASK Fras-Le Friction Private Limited	March 31, 2023	2.96	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	-
Vijaylaxmi Infra Projects Private Limited	March 31, 2023	-	-	-	-
	March 31, 2022	-	17.60	-	-
	March 31, 2021	-	15.58	-	-
Loan given					
ASK Automobiles Private Limited	March 31, 2023	-	-	311.58	-
	March 31, 2022	-	-	210.01	-
Interest earned on loan given					
ASK Fras-Le Friction Private Limited	March 31, 2023	9.60	-	-	-
	March 31, 2022	9.60	-	-	-
	March 31, 2021	9.60	-	-	-
ASK Automobiles Private Limited	March 31, 2023	-	-	36.52	-
	March 31, 2022	-	-	5.20	-
Sale of services*					
ASK Fras-Le Friction Private Limited	March 31, 2023	25.91	-	-	-
	March 31, 2022	16.35	-	-	-
	March 31, 2021	10.86	-	-	-
ASK Automobiles Private Limited	March 31, 2023	-	-	2.41	-
	March 31, 2022	-	-	0.21	-
Sale of products*					
	March 31, 2023	12.35	-	-	-

Nature of transaction and name of related party	For the year ended	Joint Venture	Entities in which directors of the Company and their relatives are able to exercise significant influence	Wholly Owned Subsidiary	Key Management Personnel
ASK Fras-Le Friction Private Limited	March 31, 2022	3.89	-	-	-
	March 31, 2021	19.58	-	-	-
AA Friction Materials Private Limited	March 31, 2023	-	1.97	-	-
	March 31, 2022	-	74.26	-	-
	March 31, 2021	-	99.58	-	-
ASK Automobiles Private Limited	March 31, 2023	-	-	3.84	-
	March 31, 2022	-	-	-	-
Sale of fixed assets*					
ASK Fras-Le Friction Private Limited	March 31, 2023	1.29	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	0.02	-	-	-
AA Friction Materials Private Limited	March 31, 2023	-	0.25	-	-
	March 31, 2022	-	0.17	-	-
	March 31, 2021	-	5.39	-	-
ASK Automobiles Private Limited	March 31, 2023	-	-	26.58	-
	March 31, 2022	-	-	-	-
Mrs. Vijay Rathee	March 31, 2023	-	-	-	0.06
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	-
Security deposit given					
A.P.Automotives Private Limited	March 31, 2023	-	-	-	-
	March 31, 2022	-	8.28	-	-
	March 31, 2021	-	-	-	-
ASK Automobiles Private Limited	March 31, 2023	-	-	0.36	-
	March 31, 2022	-	-	-	-
Security deposit given received back					
A.P.Automotives Private Limited	March 31, 2023	-	-	-	-
	March 31, 2022	-	0.63	-	-
	March 31, 2021	-	6.57	-	-
Advances given received back					
Mr. Rajesh Kataria	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	1.96
	March 31, 2021	-	-	-	-
Director's Remuneration					
Mr. Kuldip Singh Rathee	March 31, 2023	-	-	-	69.73
	March 31, 2022	-	-	-	64.77
	March 31, 2021	-	-	-	66.19
Mr. Prashant Rathee	March 31, 2023	-	-	-	23.36
	March 31, 2022	-	-	-	26.54
	March 31, 2021	-	-	-	23.36
Mr. Aman Rathee	March 31, 2023	-	-	-	23.36
	March 31, 2022	-	-	-	26.54
	March 31, 2021	-	-	-	23.36
Mr. Rajesh Kataria	March 31, 2023	-	-	-	3.34
	March 31, 2022	-	-	-	3.03
	March 31, 2021	-	-	-	2.45
Remuneration			-		
Ms. Rajani Sharma	March 31, 2023	-	-	-	4.09
	March 31, 2022	-	-	-	3.69
	March 31, 2021	-	-	-	3.45
Mr. Naresh Kumar#	March 31, 2023	-	-		8.43
	March 31, 2022	-	-		8.32
	March 31, 2021	-	-	-	-
Corporate guarantees given					
ASK Fras-Le Friction Private Limited	March 31, 2023	-	-	-	-
	March 31, 2022	295.00	-	-	-

Nature of transaction and name of related party	For the year ended	Joint Venture	Entities in which directors of the Company and their relatives are able to exercise significant influence	Wholly Owned Subsidiary	Key Management Personnel
	March 31, 2021	-	-	-	-
ASK Automobiles Private Limited	March 31, 2023	-	-	400.00	-
	March 31, 2022	-	-	2,140.00	-
Bonus shares issued					
Kuldip Singh Rathee	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	131.68
Vijay Rathee	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	95.51
Aman Rathee	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	35.69
Prashant Rathee	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	42.28
Advance given					
Mr. Rajesh Kataria	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	2.23
Dividend paid					
Kuldip Singh Rathee	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	8.78
Vijay Rathee	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	6.37
Aman Rathee	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	2.38
Prashant Rathee	March 31, 2023	-	-	-	-
	March 31, 2022	-	-	-	-
	March 31, 2021	-	-	-	2.82
CSR expenditure paid					
Ahsaas Trust	March 31, 2023	-	6.32	-	-
	March 31, 2022	-	24.48	-	-
	March 31, 2021	-	10.16	-	-
Paid for CSR ongoing projects					
Ahsaas Trust	March 31, 2023	-	0.78	-	-
	March 31, 2022	-	14.42	-	-
	March 31, 2021	-	-	-	-

Notes

**Transactions have been reported inclusive of applicable taxes.*

#Mr. Naresh Kumar has been considered as key management personnel w.e.f. March 28, 2023. However, his remuneration for the entire year has been disclosed above.

Financing Arrangements

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

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

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

Name	Face value (in ₹)	Date of acquisition	Number of Equity Shares	Acquisition price per Equity Share (in ₹)**
Promoters*				
Kuldip Singh Rathee	2	March 30, 2021	65,841,300	Nil#
Vijay Rathee	2	March 30, 2021	47,757,150	Nil#
Promoter Group				
Aman Rathee	2	March 30, 2021	17,842,500	Nil#
Prashant Rathee	2	March 30, 2021	21,141,000	Nil#
Sarla Chahal	2	November 22, 2022	1	240.00
Kanika Rathee	2	November 22, 2022	1	240.00
Vijeta Rathee	2	November 22, 2022	1	240.00

* *Also the Promoter Selling Shareholders*
** *As certified by B.B. & Associates, Chartered Accountants by way of their certificate dated June 12, 2023.*
# *Represents cost of Equity Shares issued pursuant to a bonus issue which are issued at nil consideration.*

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

Weighted average price at which Equity Shares were acquired by our Promoters (who are also the Promoter Selling Shareholders) in the one year preceding the date of this Draft Red Herring Prospectus

Our Promoters, who are also the Promoter Selling Shareholders have not acquired any Equity Shares in the one year immediately preceding the date of this Draft Red Herring Prospectus.

Average cost of acquisition for our Promoters (who are also the Promoter Selling Shareholders)

The average cost of acquisition per equity share acquired by our Promoters, who are also the Promoter Selling Shareholders, as on the date of this Draft Red Herring Prospectus is as set forth below:

S. No.	Name of Promoter/Selling Shareholder	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)*
Promoters^			
1.	Kuldip Singh Rathee	81,488,400	0.02
2.	Vijay Rathee	63,676,200	0.02

**As certified by B.B. & Associates, Chartered Accountants by way of their certificate dated June 12, 2023.*
^ *Also the Promoter Selling Shareholders*

For further details, see "***Capital Structure - History of the share capital held by our Promoters and the members of our Promoter Group in our Company***" on page 93.

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

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

Period	Weighted average cost of acquisition (in ₹)	Cap Price is 'X' times the weighted average cost of acquisition*	Range of acquisition price: lowest price - highest price (in ₹)
Last one year	240.00	[●]	240.00
Last 18 months	240.00	[●]	240.00
Last three years	0.00	[●]	Nil^-240.00

**Will be populated in the Prospectus.*
^ *Represents cost of Equity Shares issued pursuant to a bonus issue which are issued at nil consideration.*

Details of Pre-IPO Placement

Not applicable.

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

Our Company has not issued any Equity Shares through bonus or for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

Split/consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

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

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

SECTION II: RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations, cash flows and financial condition as of the date of this Draft Red Herring Prospectus. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with, "**Industry Overview**", "**Our Business**", "**Key Regulations and Policies in India**", "**Restated Consolidated Financial Information**", "**Management's Discussion and Analysis of Financial Condition and Result of Operations**" and "**Outstanding Litigation and Material Developments**" on pages 127, 181, 225, 269, 341 and 380, respectively as well as other financial and statistical information contained in this Draft Red Herring Prospectus.*

Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to our Company and its Subsidiary on a consolidated basis. Unless the context otherwise requires, references to our "Company" refers to ASK Automotive Limited on a standalone basis.

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

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

Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 included in this section has been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus on page 269. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions.

*Unless otherwise indicated, industry and market data used in this Draft Red Herring Prospectus has been extracted or derived from a report titled "Assessment of Advanced Braking Systems, Aluminium Lightweighting Precision Solutions and Safety Control Cable Segments" dated January 2023, prepared by CRISIL Research, a division of CRISIL Limited (the "**CRISIL Report**"). We commissioned and paid for the CRISIL Report pursuant to an engagement letter dated November 25, 2022, for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. The CRISIL Report will be available on the website of our Company at www.askbrake.com/Inspection-material-documents. The data included in this section includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See "**Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data**", "**- Internal Risk Factors – Other risks – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" and "**Industry Overview**" on pages 16, 64 and 127, respectively.*

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

Internal risk factors

Risks relating to our business

1. ***A significant portion (more than 80%) of our revenue from operations in each of the last three Fiscals is attributable to the Indian two-wheeler automotive sector. Any adverse changes in the two-wheeler automotive sector could adversely impact our business, results of operations and financial condition.***

   Our business has been and continues to be concentrated on providing automotive systems to two-wheeler ("**2W**") original equipment manufacturers ("**OEMs**") and the independent aftermarket ("**IAM**") for 2Ws, and is therefore heavily dependent on the performance of the 2W automotive sector in India. The table below sets forth the contribution from the 2W automotive sector to our total revenue from operations for the Fiscals stated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Revenue from 2W automotive sector	23,163.81	90.65%	18,101.03	89.92%	14,264.23	92.39%

   The performance of the Indian 2W automotive sector is dependent on numerous social and economic factors, including demographic trends and preferences, employment and income levels, affordability of 2W vehicle customers, changes in government policies, economic conditions, availability of finance and interest rates. Although certain factors, such as general macroeconomic and consumer trends, have a direct impact on demand for 2W vehicles, others can have indirect consequences that are difficult to predict (*Source: CRISIL Report*). For instance, the Indian 2W market registered a negative CAGR of 1.8% between Fiscal 2017 and Fiscal 2022 and domestic 2W sales plunged by 18% from Fiscal 2019 to Fiscal 2020 largely as a result of inventory adjustment on account of BS-VI migration. Domestic 2W sales volume further declined by 13% in Fiscal 2021 as nationwide and local lockdowns to contain the spread of Covid-19 and the subsequent toll on economic activity affected the income of the average 2W buyer (*Source: CRISIL Report*). Our revenue from the 2W automotive sector decreased between Fiscal 2020 and Fiscal 2021, as set forth in the table below:

Revenue	Fiscal 2021	Fiscal 2020	% Decline
	Amount (₹ million)		
Revenue from 2W automotive sector	14,264.23	15,129.92	(5.72)%

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

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

2. ***We are dependent on our top three customers who contribute more than 50.00% of our revenue from operations with our single largest customer contributing more than 30.00% of our revenue from operations in each of the last three Fiscals. Loss of any of these customers or a reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.***

We derive more than 50% of our revenue from operations from the sale of products to our top three customers. The table below sets forth the revenue derived from our top three customers (determined based on revenue derived from such customers in Fiscal 2023), as well as our single largest customer for the Fiscals stated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Customer 1	8,821.34	34.52%	6,889.24	34.22%	4,930.61	31.93%
Customer 2	3,977.31	15.57%	2,707.08	13.45%	1,801.81	11.67%
Customer 3	2,743.66	10.74%	2,357.33	11.71%	1,650.11	10.69%
Revenue from top three customers	**15,542.31**	**60.83%**	**11,953.65**	**59.38%**	**8,382.53**	**54.29%**
Revenue from our single largest customer	**8,821.34**	**34.52%**	**6,889.24**	**34.22%**	**4,930.61**	**31.93%**

We depend and expect to continue to depend on our top three customers for a substantial portion of our revenue. The loss of any of our top three customers (in particular our largest customer) for any reason (including due to loss of, or failure to renew existing arrangements; limitation to meet any change in quality specification, change in technology; disputes with a customer; adverse changes in the financial condition of our customers, such as possible bankruptcy or liquidation or other financial hardship) could have a material adverse effect on our business, results of operations and financial condition.

While we typically enter into continuing agreements with our customers (including our top three customers) which are valid until terminated by either party by giving prior notice, these agreements set out the general terms and conditions of purchase and do not stipulate firm volume or sales commitments with our customers. We rely on purchase orders and delivery schedules issued by our customers from time to time, that set out the price per unit, volume and other terms of sales for our products. However, such purchase orders/delivery schedules may be cancelled unilaterally with or without cause and should such cancellation take place, it may have an adverse impact on our revenue and results of operations. There has been no cancellation of order by any of our top three customers in the past. However, there can be no assurance that our large customers will not cancel orders in the future which may have an impact on our results of operations and business in the future.

Furthermore, there is no assurance that our top three customers will continue to source products from us at volumes or rates consistent with, and commensurate to, the amount of business received from them historically, or at all. While our top three customers have not terminated their arrangements with us or reduced the demand for our products in the last three Fiscals, any decrease in the demand for our products from our top three customers, or a termination of our arrangements altogether, would adversely impact our results of operations, financial condition and cash flow.

3. ***Our business and profitability is substantially dependent on the availability and cost of our raw materials, including Aluminium, and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition.***

Our cost of material consumed which primarily consists of Aluminium, steel, bought-out parts, packing material, paint and wires, is a significant portion of our total expenses. The majority of the raw material that we consume comprises Aluminium which is a commodity and is subject to fluctuation in commodity prices. For example, there has been significant volatility with respect to raw material prices in the past three Fiscals, due to shortages as COVID-19 related lockdowns globally upended supply chains (*Source: CRISIL Report*). As a result, the average purchase price of Aluminium as incurred by us increased from ₹128 per kilogram in Fiscal 2021 to ₹181 per kilogram in Fiscal 2022 and was ₹197 per kilogram in Fiscal 2023.

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

Particulars	Fiscal 2023			Fiscal 2022			Fiscal 2021		
	Amount (₹ million)	*% of total expenses*	*% of revenue from operations*	*Amount (₹ million)*	*% of total expenses*	*% of revenue from operations*	*Amount (₹ million)*	*% of total expenses*	*% of revenue from operations*
Cost of material consumed	17,985.79	75.23%	70.39%	14,038.07	73.65%	69.73%	10,154.42	71.49%	65.77%

The table below sets forth the cost incurred towards Aluminium consumption, our key raw material, during the Fiscals stated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*
Aluminium cost	7,681.26	42.71%	5,913.78	42.13%	3,833.68	37.75%

We procure our raw materials, including Aluminium, from third parties based on purchase orders and generally do not have firm commitments from our suppliers. The absence of long-term contracts at fixed prices and the need to maintain a continued supply of raw materials may make it difficult to resist price increases imposed by our suppliers. Also see, " ***– Internal Risk Factors – Risks relating to our business – We depend on third parties for the supply of raw materials and do not have firm commitments for supply or exclusive arrangements with any of our suppliers. Loss of suppliers may have an adverse effect on our business, results of operations and financial condition.*** " We are therefore exposed to volatility in the prices of raw materials. While we seek to pass on the increase in cost of metals, especially Aluminium to our customers, our cash flows may be adversely affected in case of a gap in time between the date of procurement of our raw materials and the date on which we can reset the component prices for our customers, to account for the increase in the prices of such raw materials.

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

We do not generally have firm commitments for the supply of raw materials and rely on purchase orders and delivery schedules for the procurement of raw materials. We procure our raw materials by way of entering into general purchase agreements, which set out the general terms and are supplemented by purchase orders wherein the pricing, scheduling and delivery details are set out. We depend on third-party suppliers for our raw materials that we procure under contractual arrangements with them which are typically valid until terminated by either party by giving prior notice. We may be unable to source such commodities from alternative suppliers on similar commercial terms and within a reasonable timeframe. Furthermore, as we are subject to applicable laws in relation to our operations including labelling, environmental laws and manufacturing, and strict quality requirements specified in contractual arrangements with customers, our supplier base is limited, which exacerbates the risk of being unable to make alternative arrangements. While our suppliers have not terminated their arrangements with us at short notice in the last three Fiscals, we may be unable to find suitable alternatives in the event our suppliers terminate their engagements with us in the future.

Furthermore, as we typically do not have exclusive arrangements with our suppliers, our suppliers could engage with our competitors and prioritize supplies of their other customers, which could adversely impact our ability to procure a sufficient quantity of raw materials at competitive rates. The table below sets forth the contribution of our top 10 suppliers and our largest supplier (determined based on cost of material consumed attributable to such suppliers in Fiscal 2023) to our cost of raw material consumed for the Fiscals stated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*	*Amount (₹ million)*	*% of cost of material consumed*
Top 10 suppliers	8,374.60	46.56%	6,810.66	48.52%	4,767.60	46.95%
Our largest supplier	2,028.64	11.28%	1,289.97	9.19%	917.24	9.03%

Ultimately, our success depends on the uninterrupted supply of raw materials to our manufacturing facilities which is subject to various uncertainties and risks. A failure to maintain a continuous supply of raw materials may result in our inability to manufacture and supply products to our customers in accordance with the respective contract and on a timely basis which could have a material and adverse effect on our business, results of operations and financial condition.

5. ***We may not be successful in implementing our growth strategies, particularly increasing our market share in the evolving electric vehicle market, which could have an adverse effect on our business, financial condition, cash flows and results of operations.***

We have a short operating history of three years in the Electric Vehicle ("**EV**") 2W industry, which is continuously evolving. Our growth strategy includes strengthening our position in the evolving EV sector in India, deepening, diversifying and expanding our customer base by expanding our product portfolio, leveraging export opportunities, continuing to focus on our design capabilities, pursuing research and development ("**R&D**") to develop innovative systems and solutions and improving our manufacturing efficiencies. See, "***Our Business - Our Strategies - "Electrification"– further strengthen our position in the growing EV sector in India***" on page 188. The table below sets forth details on the revenue earned by us from sale of products to 2W EV OEMs (including component manufacturers for 2W EV OEMs), during the Fiscals stated:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
2W EV OEMs	447.22	1.75%	94.64	0.47%	0.22	0.00%
Component Manufacturers for 2W EV OEMs (1)	70.49	0.28%	18.07	0.09%	0.00	0.00%
Total Revenue from 2W EV OEMs	**517.71**	**2.03%**	**112.71**	**0.56%**	**0.22**	**0.00%**

Notes:

(1) Comprises intermediary sales wherein we supply products to component manufacturers based on instructions of our EV OEM customers. The component manufacturers undertake value added work or processes before supplying to our EV OEMs customers.

There can be no assurance that our limited experience will result in sale of products at a comparable scale in the future, as the market for EVs is relatively new, rapidly evolving, and is characterized by rapidly changing technologies, price competition, additional competitors, evolving government regulation and industry standards, and frequent new vehicle announcements. We may require additional capital to develop and grow our EV business, including expanding design, research and development, and production. Our ability to remain profitable in the future is dependent on the design, development and marketability of our product portfolio, while also controlling costs to achieve expected margins. If we are unable to efficiently design, develop, market, deploy, and supply our products, our margins, profitability and prospects could be materially and adversely affected.

Even if we are successful in developing products for the EV sector, our ability to gain market share in the EV sector is dependent on our OEM customers' ability to successfully develop EVs and the end-consumers' willingness to adopt EVs. Demand for EVs may be affected by factors directly impacting automobile prices or the cost of purchasing and operating automobiles such as sales and financing incentives, prices of raw materials and components, cost of energy and governmental regulations, including tariffs, import regulation and other taxes. For instance, the recent phasing out of the subsidies available under Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India ("**FAME-II**"), has resulted in an increase in the price of EVs for end-customers and any such sudden or sharp increases may lead to a decline in the adoption/ demand of EVs, which may in turn lead to a decline in demand for our products. A decline in the trend towards electrification driven by changing consumer preference or any change in government policy, laws and regulations that reduces or eliminates support for electrification of vehicles could result in lower demand for EVs and consequently a reduction in production of EVs which could have an adverse effect on our future sales and lead to a decline in our earnings from the EV market.

6. ***We have undertaken and may continue to undertake technical collaborations, joint ventures, strategic investments, alliances and acquisitions in the future, which may be difficult to integrate and manage, exposing us to risks that could adversely affect our business.***

We have pursued and may continue to pursue technical collaborations, joint ventures, strategic investments and alliances as a mode of expanding our operations. We have also entered into licensing agreements with a research organization in the defence sector for utilization of technology for manufacturing and selling products. For details on such collaborations, see "***Our Business** – **Research and Development – Technical Collaborations***" on page 214. We also granted a license to our Joint Venture, ASK Fras-Le Friction Private Limited ("**AFFPL**") for formulations of linings and brake pads for commercial vehicles, pursuant to a license agreement in 2018. For details, see "***History and Certain Corporate Matters - Key terms of other subsisting material agreements - Joint venture agreement dated December 5, 2017 executed by and among our Company, Fras-Le S.A. and ASK Friction Private Limited (name changed to ASK Fras-Le Friction Private Limited)***". Such technical licensing agreements are typically valid for a term of five to 10 years and renewable on mutual consent and provide us with access to technology and know-how that has applications across our products and systems for sale to customers in India and overseas, in exchange for periodic royalty payments.

Our expenses for royalty for Fiscals 2023, 2022 and 2021 are set out below.

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Royalty	22.94	0.09%	14.51	0.07%	14.72	0.10%

The technical collaboration agreements enable the providers of such technical assistance to terminate their arrangements with us, including in some instances, without cause. An inability to continue these arrangements may impact our ability to carry out certain design and manufacturing processes, or commercially manufacture certain types of products which could adversely affect our ability to cater to our customers' requirements.

Similar to our technical collaborations, we enter into other strategic alliances including by way of acquisitions and joint ventures. Each of these arrangements typically include reciprocal obligations as well as representations and warranties, along with indemnity obligations for any liabilities arising in connection with breaches of such representations and warranties, which will cause us to pay for the requisite remedies on a breach. In addition, we may require additional financial resources for the expansion or reorganization of acquired businesses and to integrate their operations into our operations. For instance, we have invested and continue to invest in our Joint Venture, ASK Fras-Le Friction Private Limited ("**AFFPL**"), which we set up in December 2017 with Fras-Le S.A.. As the entity has incurred losses in the last three Fiscals, it continues to be dependent on the financial support provided by our Company and Fras-Le S.A. for its operations. Also see, " ***– Internal Risk Factors – Risks related to our financial position – We have been extending financial support to our Joint Venture, ASK Fras-Le Friction Private Limited, that has incurred losses in the last three Fiscals***." There can be no assurance that we will be able to successfully integrate and realize the strategic and/or operational benefits of alliances we enter into in the future or that such arrangements will contribute to our profitability. Any disruption or termination of such arrangements in the future would impair our investments and impact our business, results of operations and financial condition.

7. ***We have experienced growth in recent years and may be unable to sustain our growth or manage it effectively.***

We have expanded our operations and experienced growth in the recent years. Our revenue from operations grew at a CAGR of 28.64% from ₹15,439.92 million in Fiscal 2021 to ₹25,551.67 million in Fiscal 2023. Our operations have grown to comprise 15 manufacturing facilities in India as of March 31, 2023. In addition, our Joint Venture operates one manufacturing facility in Haryana, India. The table below sets forth our installed capacities across our 15 manufacturing facilities as of March 31, 2023, 2022 and 2021, respectively:

Product category	**Unit of measurement**	**Installed Capacity as of March 31,** (3)		
		2023	**2022**	**2021**
Brake Shoe (1)	Number of pieces in millions	205	192	192
Brake Panel Assembly	Number of pieces in millions	19	19	19
Disc Brake Pad	Number of pieces in millions	17	17	17
Pressure Die Castings (2)	Tonnes	51,807	50,787	49,311
Cables	Number of pieces in millions	43	24	21

Notes:

(1) Brake Shoe is sold to customers or used captively in brake panel assembly. For each brake panel assembly, two pieces of brake shoe are used.

(2) Pressure die castings are used in brake shoes, the brake panel assembly and ALP solutions.

(3) The installed capacity for the above dates is calculated based on the past production mix in the respective Fiscal/ period. The installed capacity information of the Company is based on rated installed capacity of all machinery for the highest-produced product during the preceding Fiscal/ period, taken on an annual basis. Installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Fiscal/ period.

For further details on our manufacturing facilities and installed capacity, see "***Our Business – Manufacturing Capacity and Capacity Utilisation at our 15 facilities***" on page 197 and **"*Our Business – Property*"** on page 220.

Sustaining our growth will require investments including in assets and will also put pressure on our ability to effectively manage and control historical and emerging risks. An expansion in the size of our business and the scope and complexity of our operations could strain our internal control framework and processes, which may result in delays, increased costs and lower quality products. We may be unable to effectively manage this growth or achieve the desired profitability in the expected timeframe or at all.

8. We use third-party dealers to market, sell and deliver products in the independent aftermarket ("IAM") category and are subject to risks associated with these arrangements.

As of March 31, 2023, we sold our manufactured and assembled products through an extensive network of 468 authorized dealers in the IAM category. The products we sell in the IAM category through third-party dealers include brake shoes, disc brake pads, hubs, clutch plates, clutch shoes and control cables. The table below sets forth revenue generated from the IAM category for the Fiscals stated:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	***% of revenue from operations***	***Amount (₹ million)***	***% of revenue from operations***	***Amount (₹ million)***	***% of revenue from operations***
Revenue from IAM	2,803.42	10.97%	2,546.21	12.65%	2,353.15	15.24%

Our relationships with dealers may be characterised as seller and buyer relationships which do not grant us control over their operations, inventories, and they are free to appoint authorised stockists at their own discretion or compete with one another. We are also not entitled to any indemnity from dealers for losses that we may incur as a result of actions of such dealer. As a result, our sales through third-party dealers are subject to risks, including: (i) the inability of our selected dealers to effectively sell our products; (ii) the quality of customer service provided by dealers, which could harm our reputation or brand image; (iii) our ability to extend existing dealer arrangements for subsequent periods; and (iv) a decrease in contact with our OEM customers. Furthermore, as our dealer relationships are non-exclusive, our competitors may incentivize our dealers to prefer their products over ours, which may hamper sales of our products in the IAM. While we have not encountered any instances of customer claims attributable to the actions or inactions of our dealers in the last three Fiscals, any significant disruption of our sales to our dealers and by our dealers in the IAM could materially and adversely affect our business and results of operations.

9. We outsource certain operations of our business such as transport, logistics and other processes to third parties. Any failure by such third parties to deliver their services could have an adverse impact on our business.

We rely on external logistic contractors for supply of raw materials and deliveries of our products. For our operations in India, we engage third party logistics providers to ship finished goods to our customers by road, and typically enter into agreements with them for a period of one year. For our overseas customers, we engage third party logistics providers to export our finished goods through sea shipments and, in exceptional circumstances, by air to ensure that customer production lines are able to operate without interruption, based on purchase orders that set out the terms of transportation. For aftermarket support, we typically rely on the same third-party logistics providers for support on our transportation requirements. These third-party service providers are responsible for ensuring our transportation rates are competitive and that our transportation carriers are performing as required.

The table below sets forth our freight and forwarding cost for the fiscals indicated.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Freight and forwarding cost	313.29	1.23%	250.21	1.24%	192.72	1.25%

As we do not control our third-party freight and transportation providers, we could be subject to transportation strikes that could hamper supplies and deliveries to and from our customers and suppliers. There may also be delay in delivery of raw materials and products and a failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could adversely impact our customer relationships. Any recompense received from insurers or third party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. 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. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products. While we have not experienced any instances of failure to meet our customer's delivery schedules in the past due to any fault of our external transport and logistics contractors, there is no assurance on the reliability of delivery by our contractors, and any failure in meeting our customer's delivery schedules can impact our relationship with customers and may result in cancellation of existing or future orders which may have an adverse impact on our operations.

We also outsource certain non-critical manufacturing processes including heat treatment for tools and dies manufacturing and wire cutting. While we have quality assurance systems and infrastructure in place to allow us to meet the different standards required by our customers, we have no direct control over our outsourced manufacturing processes. In the event of any failure to meet quality standards by our contractors, we have no legal recourse given that we do not have indemnity protection from these contractors. While we have not had any warranty claims made against our products in the past, outsourcing manufacturing processes may enhance the risks of us failing to comply with quality standards which may lead to adverse effects on our relationships with customers and lead to cancellation of existing or future orders.

Operational risks

10. Our manufacturing facilities are concentrated in the state of Haryana and certain products (disc brake pads and safety control cables) are manufactured only at our manufacturing facilities in Haryana. Any significant social, political, economic or seasonal disruption, natural calamities or civil disruptions in Haryana could have an adverse effect on our business, results of operations, future cash flows and financial condition.

Out of our 15 manufacturing facilities in India, nine manufacturing facilities are located in the Manesar-Gurugram region in Haryana and are situated in close proximity to each other as well as to our OEM customers who are present in the region. Furthermore, a majority of our brake shoe products and pressure die casting processes are carried out at our facilities in Haryana, and certain products such as disc brake pads and safety control cables, are exclusively manufactured at our facilities in Haryana. The table below sets forth the product-wise contribution of our facilities in Haryana to our overall capacity as of March 31, 2023, 2022 and 2021, respectively:

Product category	Unit of measurement	Installed Capacity as of March 31, (3)					
		2023		2022		2021	
		Manufacturing facilities in Haryana	% of all our manufacturing facilities	Manufacturing facilities in Haryana	% of all our manufacturing facilities	Manufacturing facilities in Haryana	% of all our manufacturing facilities
Brake Shoe (1)	Number of pieces in millions	133	64.75%	119	62.21%	119	62.21%
Brake Panel Assembly	Number of pieces in millions	11	57.14%	11	57.14%	11	57.14%
Disc Brake Pad	Number of pieces in millions	17	100.00%	17	100.00%	17	100.00%
Pressure Die Castings	Tonnes	31,521	60.84%	32061	63.13%	31,125	63.12%

Product category	Unit of measurement	Installed Capacity as of March 31, (3)					
		2023		2022		2021	
		Manufacturing facilities in Haryana	% of all our manufacturing facilities	Manufacturing facilities in Haryana	% of all our manufacturing facilities	Manufacturing facilities in Haryana	% of all our manufacturing facilities
(2)							
Cables	Number of pieces in millions	43	100.00%	24	100.00%	21	100.00%

Notes:

(1) Brake Shoe is sold to customers or used captively in brake panel assembly. For each brake panel assembly, 2 pieces of brake shoe are used.

(2) Pressure die castings are used in brake shoes, the brake panel assembly and ALP solutions.

(3) The installed capacity for the above dates is calculated based on the past production mix in the respective Fiscal/ period. The installed capacity information of our Company is based on rated installed capacity of all machinery for the highest-produced product during the preceding Fiscal/ period, taken on an annual basis. Installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Fiscal/ period.

(4) The above excludes information related to the manufacturing facility in Haryana that is operated by our Joint Venture AFFPL

In addition to the above, our Joint Venture operates one manufacturing facility in Haryana.

Due to the geographic concentration of our manufacturing facilities, our operations are susceptible to local and regional factors, such as economic and weather conditions, natural disasters, political, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in shipments of our products and/or otherwise materially adversely affect our business, financial condition and results of operations. The occurrence of any of these events could require us to incur significant capital expenditure or change our business structure or strategy, which could have an adverse effect on our business, results of operations, future cash flows and financial condition. While we have not faced any such disruptions in the past in our operations due to the concentration of our manufacturing operations in Haryana, we cannot assure you that there will not be any significant developments in the region in the future, which may adversely affect our operations.

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

We do not own our Registered Office premises situated at Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India, and the land on which eight out of our 15 manufacturing facilities are occupied by us on a leasehold basis, leased from third parties, including industrial land allotted by Industrial Development Corporations ("**IDCs**"). The tenure of our lease arrangements with third parties range from three to five years whereas our lease arrangements with IDCs are for a longer tenure ranging up to 90 years. For risk in relation to manufacturing facilities leased to us by industrial development corporations please see, "***- Internal Risk Factors – Operational risks – Certain land on which our manufacturing facilities are located are leased to us by industrial development corporations. If we are unable to comply with conditions of use of such land or otherwise renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations***". Some of our lease arrangements with third parties are due for renewal in the next one year, the details of which are set forth in the table below:

S. No.	Plant Name	Location	Area	Owner/ Lessor	Leased/ Owned	Date of agreement and term of lease (as applicable)	Rent	Purpose
ASK Automotive Limited								
1.	ASK-14	Khasara No. 154, Mauja, Village - Theda, P.O. - Manpura, Tehsil - Nalagarh, Solan, Himachal Pradesh 174101	1,672.26 Sq. Mtrs.	Balwinder Kaur	Leased	Deed of lease dated December 24, 2019. Lease period from January 1, 2020 to December 31, 2023	₹0.27 million per month	Manufacturing

S. No.	Plant Name	Location	Area	Owner/ Lessor	Leased/ Owned	Date of agreement and term of lease (as applicable)	Rent	Purpose
2.	ASK-16	Plot No. 157-158, Sector-5, IMT Manesar, Gurugram, Haryana-122050	10,800 Sq. Mtrs.	Mr. Prashant Rathee and Mr. Aman Rathee	Leased	Lease Agreement dated April 1, 2021. Lease period from April 1, 2021 to March 31, 2024	₹3.69 million per month	Manufacturing

There can be no assurance that we will be able to renew our lease arrangements at commercially acceptable terms or at all. Our lease expenses for Fiscals 2023, 2022 and 2021 are set out below:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Amortisation on right of use assets, interest of lease liabilities and expenses related to short term leases (included in rent under other expenses)	90.03	0.35%	87.44	0.43%	71.46	0.46%

Furthermore, some of our other properties, including our Registered Office, are leased from/permitted to be used by our related parties. For instance, our Company has entered into a right to use agreement with our Director and member of the Promoter Group, Prashant Rathee for the permitted use of our Registered Office. For further details, see "***Our Business – Property***" on page 220.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. While we have not failed to renew our lease arrangements in the past, in the event that we are unable to in the future, we may be required to vacate our current premises and make alternative arrangements for new offices and manufacturing operations. We cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, financial condition, cash flows and results of operations. Furthermore, the deeds for our existing and future leased properties may not be adequately stamped or such stamp duty may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty.

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

As of March 31, 2023, we operate 15 manufacturing facilities across five states in India, of which two manufacturing facilities are located on land which have been leased from Industrial Development Corporations ("**IDCs**"), and seven manufacturing facilities are located on industrial land allotted by IDCs, at the prevailing market rates. In addition, our planned manufacturing facility at Bhiwadi, Rajasthan is also located on land that we occupy on a leasehold basis from Rajasthan State Industrial Development and Investment Corporation. In addition, we have been allotted land by the Karnataka Industrial Areas Development Board ("**KIADB**") at Kolar (Karnataka) in June 2023, on which we propose to set up a facility to manufacture ALP solutions.

Under the terms of the allotment by IDCs to us, we are required to comply with various conditions such as achieving the investment commitment set out in the project report and adhering to the timelines for completion of setting up of the manufacturing facility and commencement of manufacturing activity. We are also required to obtain IDC's approval for certain corporate actions, such as change of control and constitution. As required under the terms of the letters of allotment and agreements entered into in relation to our manufacturing units, ASK-3, ASK-7, ASK-10 and ASK-12 all of which are situated within the premises of the Haryana State Industrial & Infrastructure Development Corporation ("**HSIIDC**"), we had sought prior consent from the HSIIDC for change in the constitution of our Company pursuant to conversion to a public limited company, which was allowed by the HSIIDC, subject to compliance with certain conditions including, depositing of a processing fee, clearance of all outstanding dues, execution of supplementary agreement subsequent to proposed change in the constitution of the Company, etc. In the event we fail to comply with the terms and conditions under certain of the agreements, the IDC reserves the right to resume the plot and deduct a certain percentage of the price of the plot and forfeit the amount of interest and penalty paid on installments. Furthermore, according to the statutory rules under which the IDCs function, IDCs also retain the power to take back possession of the land in case of non-compliance with terms and conditions. If the letter of allotments are terminated, we would need to relocate our operations on that land to a different location, which would disrupt our operations and involve additional costs and which could have an adverse effect on our business, financial condition, results of operations and cash flows.

We are also required to comply with the regulations and schemes issued by SIDCs. Failure to comply with these regulations could lead to regulatory actions against us which may adversely affect our business. For instance, our Company received a demand notice dated October 21, 2021 from the KIADB for payment of ₹33.40 million due to revision in price per acre sought by KIADB in relation to land purchased by our Company for our manufacturing facility, ASK–8 (Malur Taluk, Karnataka). While the final decision on in relation to the revision in price is awaited, we may be required to pay a higher price than the original terms for such land to KIADB. For further details, see "***Restated Consolidated Financial Information – Note 3 – Property, plant and equipment and capital work-in-progress***" and "***Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed against our Company – Actions by regulatory and statutory authorities***" on pages 270 and 380, respectively. There is no assurance that we will be successful in this dispute against the lessor and a failure to secure the land allotted to us could result in an adverse impact on our business and financial condition.

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

We operate 15 manufacturing facilities in India. The table below sets forth the capacity utilization across our 15 manufacturing facilities as of March 31, 2023, 2022 and 2021, respectively:

Product Category	Products Manufactured	Unit of Measurement	Fiscal ended					
			March 31, 2023		March 31, 2022		March 31, 2021	
			Installed capacity (3)	Capacity Utilisation (4) (%)	Installed capacity (3)	Capacity Utilisation (4) (%)	Installed capacity (3)	Capacity Utilisation (4) (%)
AB	Brake Shoe(1)	Pieces in million	205	79.30%	192	74.85%	192	74.30%
AB	Brake Panel Assembly	Pieces in million	19	56.88%	19	51.03%	19	53.55%
AB	Disc Brake Pad	Pieces in million	17	57.08%	17	55.51%	17	54.35%
ALP	Pressure Die Castings (2)	Tonnes	51,807	76.02%	50,787	62.54%	49,311	60.61%
SCC	Cables	Pieces in million	43	39.59%	24	44.88%	21	58.88%

Notes:

(1) Brake Shoe is sold to customers or used captively in brake panel assembly. For each brake panel assembly, two pieces of brake shoe are used.

(2) Pressure die castings are used in brake shoes, the brake panel assembly and ALP solutions.

(3) The installed capacity for the above dates is calculated based on the past production mix in the respective Fiscal/ period. The installed capacity information of the Company is based on rated installed capacity of all machinery for the highest-produced product during the preceding Fiscal/ period, taken on an annual basis. Installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Fiscal/ period.

(4) Capacity utilization is calculated as quantum of production in the relevant facility in the relevant period/Fiscal, divided by the capacity available of relevant manufacturing facility during the relevant Fiscal/ period. Furthermore, capacity utilisation has been computed without rounding off the installed capacity and actual production to nearest million.

In addition, our Joint Venture operates one manufacturing facility in Haryana. The table below sets forth the capacity utilization of the facility operated by our Joint Venture as of March 31, 2023, 2022 and 2021, respectively:

Products Manufactured	Unit of Measurement	Fiscal ended					
		March 31, 2023		March 31, 2022		March 31, 2021	
		Installed capacity (1)	Capacity Utilisation (2) (%)	Installed capacity (1)	Capacity Utilisation (2) (%)	Installed capacity (1)	Capacity Utilisation (2) (%)
CV brake lining	Pieces in million	14.4	46.41%	14.4	68.44%	9.0	51.67%
CV brake pads	Pieces in million	0.4	36.13%	0.4	14.14%	0.4	31.94%

Notes:

(1) The installed capacity for the above dates is calculated based on the past production mix in the respective Fiscal/ period. The installed capacity information of the Company is based on rated installed capacity of all machinery for the highest-produced product during the preceding Fiscal/ period, taken on an annual basis. Installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Fiscal/ period.

(2) Capacity utilization is calculated as quantum of production in the relevant facility in the relevant period/Fiscal, divided by the capacity available of relevant manufacturing facility during the relevant Fiscal/ period. Furthermore, capacity utilisation has been computed without rounding off the installed capacity and actual production to nearest million.

For further details on our manufacturing facilities and capacities, see ***"Our Business – Manufacturing – Manufacturing Capacity and Capacity Utilisation at our 15 facilities***" on page 197.

Our ability to maintain our profitability depends on our ability to maintain high levels of capacity utilization. Capacity utilization is affected by our product mix, our ability to accurately forecast customer demand, to carry out uninterrupted operations, the availability of raw materials, and industry/ market conditions. In the event there is a decline in the demand for our products, or if we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labor unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. For instance, our capacity utilization for SCC products has declined over the last three Fiscals as our capacity additions have not been proportionate to the actual production which is a function of the demand for our products. The capacity utilization of the manufacturing facility operated by our Joint Venture also declined in Fiscal 2023 primarily due to rationalization of inventory. In addition, we have set-up certain facilities in close proximity to our customers in order to minimize both our customers' and our own logistics costs, including ASK-5 (Haridwar, Uttarakhand), ASK-8 (Bengaluru, Karnataka) and ASK-11 (Ahmedabad, Gujarat). If our customers relocate their manufacturing activities/ capacities, we may utilize our other facilities that may be proximate to the new location to cater to such customers, resulting in excess capacity at the existing facility. If we are unable to source new orders for production at such facility, we may experience losses due to the idle capacity on account of the high fixed production costs.

In addition to our 15 operational facilities, we are planning two new manufacturing facilities, one each in Rajasthan and Karnataka. The success of any capacity addition and expected return on investment on capital expenditure is subject to, among other factors, the ability to generate adequate customer demand to ensure maximum utilisation of the capacity addition. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently and our capacity additions may be under-utilised thereby adversely impacting our revenue and profitability.

As we are required to obtain the prior approval of our customers before implementing any changes including in manufacturing methods, machines or materials, we may be unable to implement any capacity optimization measures in the absence of such consent, which may not be forthcoming in a timely manner or at all. While such consents have not been denied by our customers in the past, there can be no assurance that consents, if sought by us in the future, will be received within a reasonable time or at all. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

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

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

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Power, fuel and water cost	928.20	3.63%	744.10	3.70%	603.49	3.91%

We source most of our electricity requirements for our manufacturing operations from state electricity boards and have entered into three power purchase agreements with third-party suppliers. The cost of electricity from third-party suppliers could be significantly higher, thereby increasing our cost of production and adversely affecting our profitability. In the event of a supply disruption from state electricity boards and third-party suppliers, we will need to rely on captive generators to ensure uninterrupted supply, which may not be able to consistently meet our requirements and may also have additional cost implications that we may be unable to pass on to our customers. Furthermore, if our generators are unable to support our operations, we may need to shut down our facilities until adequate supply of electricity is restored. We are also subject to potentially significant inflationary pressures on fuel costs and if fuel costs continue to rise and if we are unable to pass on these increased costs to our customers, our profitability could decline.

In addition, we source most of our water requirements from state utilities, and there can be no assurance that we will be able to obtain a sufficient supply of water from sources in these areas, some of which are prone to drought. We are subject to price risk due to scarcity of water and if supply or access is not available, our manufacturing operations may be disrupted. We may also be forced to shut down or scale down our production if the drought worsens and we are unable to access sufficient volumes of water.

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

15. ***Our proposed expansion plans relating to the manufacturing facilities in Bhiwadi, Rajasthan and Kolar, Karnataka are subject to the risk of unanticipated delays in implementation and cost overruns.***

We intend to scale our annual capacity by establishing two new manufacturing facilities – one in Bhiwadi, Rajasthan and another in Kolar, Karnataka. For further information, see "***Our Business – Planned New Manufacturing Facilities***" on page 201. However, these expansion plans may be delayed or terminated due to a number of factors including: inability of our contractors to complete the construction on time, within budget or to the standards specified to them; failure to obtain necessary government approvals in time or at all; occurrence of *force majeure* events; disruptions such as injury to third parties, site accidents or other incidents and contractual disputes with our construction contractors; and inability to obtain adequate financing to complete construction of and to commence operations of the project. This could also lead to defects in design or construction of such proposed facility, increase in pre-operating expenses, taxes and duties, increase in interest and finance charges, working capital margin, environment and ecology costs.

A delay on account of any of these factors could increase the financing costs associated with the construction and cause us to exceed the forecasted budget. We may also be unable to recover the amounts we have invested in the project if our estimates/projections for these projects do not materialize. While we have not experienced any delays or cost overruns in the construction of manufacturing facilities in the last three Fiscals, there can be no assurance that the construction of the required infrastructure at the proposed new manufacturing facilities at Bhiwadi, Rajasthan and Kolar, Karnataka will be completed in a timely manner, or within our budgeted capital expenditure and other costs. Furthermore, there can also be no assurance that we will be able to fully utilize the new manufacturing facilities.

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

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

Particulars	**During the month of**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Number of contract labour*	4,008	4,330	4,092

** Computed as total man-days billed for a period divided by the number of days in that period.*

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

Particulars	**As of/ for the year ended**					
	March 31, 2023		**March 31, 2022**		**March 31, 2021**	
	Amount (₹ million) (unless otherwise stated)	***% of total revenue from operations***	***Amount (₹ million) (unless otherwise stated)***	***% of total revenue from operations***	***Amount (₹ million) (unless otherwise stated)***	***% of total revenue from operations***
Contractual labour charges	1,279.62	5.01%	1,104.23	5.49%	897.90	5.82%

Although we do not engage these labourers directly, we may be held responsible for any wage payments to these labourers in the event of default by our independent contractors. While the amount paid in such an event can be recovered from the independent contractor, any significant requirement to fund the wage requirements of the engaged labourers or delay in recovering such amounts from the contractors may have an adverse effect on our cash flows and results of operations. In addition, we may be required to absorb a number of such contract labourers as permanent employees pursuant to an order from a regulatory body or court which would increase our costs and decrease our flexibility to increase or decrease our workforce in response to changes in demand for our products. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract labourers would increase our costs and may adversely affect the business and results of our operations. For instance, the Labour Department, Government of Haryana, has pursuant to notifications dated April 26, 2023, October 14, 2022 and April 8, 2022 under the Minimum Wages act, 1948, increased the basic wage of workers by 3.81%,1.90% and 3.89% respectively, for various categories under the Minimum Wages act, 1948. While we have incurred increased labour charges in line with such wage revisions in the past, any significant upward revision could have an adverse impact on our costs and profitability in the future.

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

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

As of March 31, 2023, our workforce comprised 1,228 staff (i.e., workforce excluding shop-floor personnel) and 812 non-staff or shop-floor personnel. Additionally, during the month of March 2023, we utilised the services of 4,008 contract labour.

Our employee benefits expense comprising payments made to all the personnel on our payroll and engaged in our operations (apart from contract labour), for Fiscals 2023, 2022 and 2021 is stated below:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Employee benefits expense	1,393.65	5.45%	1,227.02	6.10%	1,022.55	6.62%

Our manufacturing operations are significantly dependent on the cooperation and continued support of our workforce, particularly our shop-floor employees and operating personnel. Strikes or work stoppages by our workforce at our manufacturing facilities could halt our production activities and disrupt our distribution channels which could impact our ability to deliver customer orders in a timely manner or at all, which could adversely affect the results of our operations and reputation. We do not have any labour unions at any of our manufacturing facilities and there have been no disruptions to our manufacturing operations in the last three Fiscals on account of labour-related disputes including strikes, lockouts, or collective bargaining arrangements. However, there can be no assurance that we will not experience work disruptions in the future due to disputes or other problems with our workforce.

Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with certain key customers and suppliers, which may adversely impact our business and financial condition.

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

Our business is supported by our manufacturing capabilities, comprising 15 manufacturing facilities in India. In addition, our Joint Venture operates one manufacturing facility in Haryana, India. For further details on our manufacturing facilities, see "***Our Business – Manufacturing – Manufacturing Capacity and Capacity Utilisation at our 15 facilities***" on page 197.

Our manufacturing facilities and operations are subject to the risks of breakdown and/or failure of equipment, disruption in electrical power or water resources, fire and industrial accidents, which may entail significant repair and maintenance costs. Furthermore, any disruptions, damage or destruction of our manufacturing facilities may severely affect our ability to meet our customers' demand which may lead to loss of any of our customers or a significant reduction in demand from such customers.

In particular, there is a risk of accidents due to the use and storage of hazardous or flammable materials in our manufacturing facilities including, paints, thinners, fuels and chemicals. For example, we witnessed one fatality at our ASK-7 facility (Manesar, Haryana) in Fiscal 2021 during the operation of machinery, and in June 2015, there was a fire at our ASK-3 facility (Manesar, Haryana) caused by a short circuit, which was exacerbated due to flammable materials stored at our facility. While our insurance coverage was adequate to cover such losses, our paint shop operations were disrupted for a period of approximately five months. During the repair and reinstallation of the affected facility, we shifted our assembly line to erstwhile ASK-9 (Manesar, Haryana), and relied on ASK-16 (Manesar, Haryana) (facility operated by erstwhile A.A. Autotech Private Limited which is now merged with us) for paint shop operations. While such relocation enabled us to continue to fulfil our customer orders, there can be no assurance that we will be able to suitably modify our manufacturing plans to compensate for such loss of capacities in the future.

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

Risks related to our financial position

19. ***We have been extending financial support to our Joint Venture, ASK Fras-Le Friction Private Limited, that has incurred losses in the last three Fiscals.***

Our Joint Venture AFFPL in which we hold 49% of the paid-up share capital, is significantly dependent on external funding to carry out its operations. We have provided it financial support in the past by way of equity infusion, loans and a corporate guarantee, and have most recently invested ₹120.05 million in AFFPL in December 2022 pursuant to an equity share capital infusion. Our Company has also advanced a loan of ₹106.65 million to AFFPL in Fiscal 2020 and has extended corporate guarantee to secure term loans and working capital facilities availed by AFFPL, the details of which as of the dates stated are provided in the table below:

Borrower Name	Purpose of guarantee	As of March 31,		
		2023	2022	2021

			(₹ million)	
AFFPL	Term loan and working capital facility	835.00	835.00	540.00

**As co-guarantor with Fras-Le S.A. in proportion to its shareholding in AFFPL*

While AFFPL has, in Fiscal 2023, repaid the amounts due under the term loan and has not drawdown funds under the working capital facility as on the date of this Draft Red Herring Prospectus, the corporate guarantee extended by us continues to remain outstanding as the working capital facility remains sanctioned to AFFPL.

However, AFFPL has incurred losses in each of the last three Fiscals and has accumulated losses, details of which are stated below:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
		Amount (₹ million)	
Restated loss for the year [(1)]	120.16	107.65	89.93
Share of net losses of joint venture accounted for using equity method (net of taxes) [(2)]	58.92	52.75	44.07

Note:
(1) Losses represent losses incurred by AFFPL for the stated periods and do not represent our Company's share in the losses.
(2) Represents our Company's share in the loss from operations incurred by AFFPL.

Due to continued losses, the net worth of AFFPL has substantially eroded and as of March 31, 2023, AFFPL's current liabilities exceeded its current assets by ₹294.68 million, ₹282.57 million and ₹127.21 million as at March 31, 2023, March 31, 2022 and March 31, 2021, respectively. For a breakdown of AFFPL's financial information, see "***Restated Consolidated Financial Information – Note 35 – Information about interest in Joint Venture***" on page 313. As a result, there is a material uncertainty that may cast significant doubt on AFFPL's ability to continue as a going concern. Furthermore, due to the share of our losses of AFFPL, our investment in AFFPL has been written down over the last three Fiscals details of which are stated below:

Particulars [(2)]	Fiscal 2023	Fiscal 2022	Fiscal 2021
		Amount (₹ million)	
Gross value of investment	78.19	18.79	71.69
Net carrying value of investment	40.41	-[(1)]	33.95

Note:
(1) As at March 31, 2022, the share of losses in AFFPL exceeded its investment value by ₹18.95 million, which is adjusted with loan amount given to the Joint Venture as per the provisions of IND AS 111 "Joint Arrangements". Accordingly, Net Carrying Value of Investment has been restricted to nil for the year ended March 31, 2022.
(2) Represents carrying value of investment in equity shares of AFFPL

Given that there is uncertainty on AFFPL's ability to continue as a going concern, there can be no assurance that AFFPL will turn profitable in the near future and we may continue to fund the operations of AFFPL. In the event AFFPL continues to record losses and does not turn profitable in the near future, it may fail to repay the amounts owed to us and our investments in AFFPL may eventually be written-off, which could subject us to additional liabilities and have an adverse effect on our Company's reputation, profitability and financial condition.

20. Our Subsidiary has negative net worth and may not be able to turn profitable in the future.

As of March 31, 2023, the net worth of our wholly owned Subsidiary, ASK Automobiles Private Limited was ₹(39.42) million, as it is in its initial phase of operations, having been incorporated in Fiscal 2022. It has recently commenced operations at its manufacturing facility in Hobli, Karnataka, and is in the process of setting up a facility in Bhiwadi, Rajasthan. Our Subsidiary has also been allotted land in Kolar (Karnataka) from the relevant regulatory authority in June 2023, on which it proposes to set up a facility to manufacture ALP solutions. Also see, " ***– Internal Risk Factors – Operational risks – Our proposed expansion plans relating to the manufacturing facilities in Bhiwadi, Rajasthan and Kolar, Karnataka are subject to the risk of unanticipated delays in implementation and cost overruns***" on page 41.

We have invested ₹7.50 million in our Subsidiary in Fiscal 2022 and have provided a letter of continued financial support in its favour in Fiscal 2023 to enable it to meet its short term funding requirements. Our Company has also extended corporate guarantees to secure term loans and working capital facilities availed by our Subsidiary, the details of outstanding amount of which is set forth in the table below:

Borrower Name	Purpose of guarantee	As of March 31,

		2023	2022	2021
			(₹ million)	
ASK Automobiles Private Limited	Term loan and working capital facility	2,540.00	2,140.00	-

If our Subsidiary is unable to meet its debt service obligations in a timely manner or at all, or if its lenders recall its facilities earlier than the scheduled date of repayment, the guarantee extended by our Company may be invoked, which could result in additional financial liabilities for our Company. Our Subsidiary's ability to repay its loans depends on its ability to commence or scale its commercial operations and achieve profitability and maintain a positive net worth. There can be no assurance that our Subsidiary's operations will grow as anticipated or that it will turn profitable in the near future or that there will not be an adverse effect on our Company's profitability and financial condition as a result of such losses. We may continue to fund the operations of our Subsidiary and in the event it does not turn profitable in the near future, our investments in the Subsidiary may eventually be written-off, which could subject us to additional liabilities which could have an adverse effect on our Company's reputation, profitability and financial condition.

We may similarly be required to furnish guarantees in the future to secure the financial obligations of our Subsidiary and in the event that any corporate guarantees provided by us are invoked, we may be required to pay the amount outstanding under such facilities availed, resulting in an adverse effect on our business, cash flows and financial condition. Furthermore, in the event of invocation of any such guarantee obligations, if we are unable to meet our guarantee requirements, then legal proceedings may be initiated against us and we may not be able to effectively manage our operations which may have an adverse impact on our reputation and result of operations.

21. ***Pricing pressure from our customers or our inability to fully pass on costs to our customer, may impact our revenue from operations and profitability and may result in a materially adverse effect on our business, results of operations and financial condition.***

We typically supply products to our customers based on purchase orders issued by our customers. Under our purchase orders, we are usually entitled to pass on price escalations of specified input materials to our customers, including for Aluminium, bought-out parts, and certain paints and packaging materials ("**Indexed Costs**"). However, this is also dependent on market practice with respect to the particular raw material and other factors including whether medium-term price fluctuations were factored into our component prices at the time of price finalization.

Other production costs such as cost of fuel, spares, manpower, inventory carrying cost and currency fluctuations are typically borne by us and are subject to ongoing negotiations ("**Non-Indexed Costs**"). As purchase orders are typically finalized on a monthly basis before we commence production of a particular product, we are exposed to the risk of significant increases in Non-Indexed Costs between the time such purchase order is placed and the product is manufactured, which we may not be able to fully recover from our customers. Our ability to pass on costs also ultimately depends on our specific customer relationships and while we attempt to offset these costs through continuous improvements, there can be no assurance that our efforts to pass on all increased costs will be successful, and an inability to pass on these costs may have an adverse impact on our profit margins. Even if we succeed in passing on costs to our customers, there is usually a gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials, and an inordinate delay could adversely impact our cash flows and financial condition.

Apart from Non-Indexed Costs, we may also absorb discounts and price reductions sought by our customers from time to time in order to remain competitive. The table below sets forth the amount of discounts, rebates, credits offered by us for the Fiscals stated:

Description	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Discount, rebates, credits, etc.	280.64	1.10%	277.43	1.38%	387.83	2.51%

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

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

We need to maintain sufficient inventory levels to meet customer expectations at all times. Accumulating excess inventory could increase our inventory costs, and a failure to have adequate inventory in stock to fulfil customer orders could result in inability to meet customer demand or loss of customers. For further details, see "***Management's Discussion And Analysis Of Financial Condition And Results Of Operations – Significant Factors Affecting our Financial Condition and Results of Operations – Our customers and their purchasing patterns***" on page 343.

As actual orders by our customers are only placed by way of on-going purchase orders which are subject to refining/ phasing-out of existing models on an on-going basis, we are exposed to significant or unexpected changes in product specifications and delivery schedules, which may result in a mismatch between our inventories of raw materials and bought-out components and of manufactured products, thereby increasing our costs for maintaining inventory. Our inability to forecast the level of customer demand for our products as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations.

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

Particulars	As of/ for the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Inventories (₹ million)	1,535.76	1,243.69	1,126.81
Inventory Days*	21.94	22.55	26.64

**Inventory days are calculated as inventory as on March 31 of a Fiscal x 365/ revenue from operations during such Fiscal*

While we have not experienced a significant mismatch in the past, there can be no assurance that such instances in the future will not have a material adverse effect on our liquidity, profitability and financial condition. Furthermore, we may be required to maintain high inventory levels if we anticipate increase in customer demand for our products, which in turn would require a significant amount of working capital. Continued increases in our working capital requirements may have an adverse effect on our results of operations and financial condition. For further details, see "***- Internal Risk Factors – Risks related to our financial position – We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***"

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

Our business is capital intensive as we require significant capital to operate and expand our manufacturing facilities. Our historical capital expenditure has been and is expected to be primarily used towards the additions to buildings, plant and equipment. Historically, we have funded our capital expenditure requirements through a combination of internal accruals and term loans. Our capital expenditure which represents property, plant and equipment and capital work-in-progress (net) for Fiscals 2023, 2022 and 2021 are set out below in the respective tables:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
		Amount (₹ million)	
Factory Land	-	67.89	-
Buildings	2.75	118.49	106.36
Plant and equipment	349.34	731.57	266.07
Electrical installation	14.80	29.40	13.27
Office equipment	7.65	15.45	14.01
Computers	8.56	9.78	7.33
Furniture and fixtures	7.11	13.28	33.09
Hangers, trollies, dies and moulds	60.34	39.20	43.77
Vehicles	57.68	8.74	2.56

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
		Amount (₹ million)	
Capital work-in-progress (Net)	1,153.95	(69.79)	(57.40)
Total Capital Expenditure	**1,662.18**	**964.03**	**429.06**

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

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

Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
		Amount (₹ million)	
Working capital (1)	1,941.70	1,466.88	1,218.94
Working capital (in number of days) (2)	27.74	26.60	28.82

Notes:

(1) Working capital has been calculated as inventories plus trade receivables less trade payables

(2) Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days. Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days.

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

Our sources of additional financing, where required to meet our capital expenditure plans or working capital requirements, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding. For details in relation to the terms of our existing financing arrangements, see "***Financial Indebtedness***" on page 337.

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

Cash collection trends measured by days outstanding have a material impact on our cash flows. In general, an increase in bad debts or aged debtors leads to greater usage of operating working capital and increased interest costs. We provide our customers with credit period typically ranging from 30 to 60 days as part of our standard payment terms. The table below sets forth our trade receivables and allowance for doubtful debts as of the dates stated:

Particulars	As of/ for the year ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Trade Receivables (1) (₹ million)	2,104.46	2,011.61	1,585.83
Trade receivables turnover ratio (2)	12.14	10.01	9.74
Trade receivables days (3)	30.06	36.47	37.49
Trade Receivables ageing schedule of undisputed trade receivables – considered good			

Particulars	As of/ for the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Outstanding for less than 6 months(4)	2,103.82	2,011.12	1,585.82
Outstanding for more than 6 months	0.64	0.49	0.01

Notes:

(1) *Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days (net of loss allowance).*
(2) *Trade receivables turnover ratio is calculated as revenue from operations divided by trade receivables.*
(3) *Trade receivables days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days.*
(4) *Includes undisputed trade receivables which are considered good and which are either unbilled, not due or outstanding for less than six months since due date of payment*

For information on the ageing of our trade receivables, "***Restated Consolidated Financial Information – Note 10.1 – Trade Receivables ageing schedule***" on page 300.

Our business depends on our ability to successfully obtain payments from our customers for products and services provided. There is no guarantee that we will accurately assess the creditworthiness of our customers, and actual losses on amounts due to us from customer could differ from those that we currently anticipate. While we had to write-off ₹2.95 million in trade receivables in Fiscal 2023 (which denotes movement in closing balance of loss allowance from Fiscal 2022 to Fiscal 2023 adjusted with provision for loss allowance created for Fiscal 2023), we have not experienced significant write-offs as a result of our customers' inability to pay in Fiscal 2022 and Fiscal 2021. However, macro conditions such as the reduction of global production levels and tightening of liquidity in the global financial markets could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us in the future. The occurrence of any of these events could increase our trade receivables. If one or more of our customers were to become insolvent or otherwise be unable or unwilling to pay for their orders, our results of operations, cash flows and financial condition could be adversely affected. Furthermore, an increase in bad debts or in defaults by our customers may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

25. We have incurred significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.

As of March 31, 2023, we had aggregate outstanding borrowings (including current borrowings and non-current borrowings) of ₹3,180.11 million. For further details on the nature of our outstanding borrowings, see "***Financial Indebtedness***" on page 337. The table below sets forth certain information on our total borrowings, debt to equity ratio, finance cost and interest coverage ratio as of the dates stated:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Total Borrowings (1) (₹ million)	3,180.11	1,597.93	798.94
Debt to equity ratio (2)	0.49	0.25	0.13
Finance Costs (₹ million)	111.90	80.82	108.51
Interest coverage ratio (3)	16.70	15.63	14.58

(1) *Total borrowing is calculated as the sum of current and non-current borrowings*
(2)*Debt to equity ratio is calculated as total borrowings divided by total equity*
(3)*Interest coverage ratio is calculated as profit before tax (PBIT) plus finance cost divided by finance cost*

Any increase in interest rates will increase our finance costs, which may adversely affect our business and financial condition. Our interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. The exposure of our borrowings to interest rate changes at the end of the last three Fiscals are set forth in the table below.

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Variable rate borrowing (₹ million)	2,009.36	995.20	540.15
Weighted average interest rate	7.48%	6.75%	7.59%

For further details on the sensitivity analysis of impact of change in interest rates on our profit, see "***Restated Consolidated Financial Information – Note 38 – Financial instruments – Fair values measurement and risk management***" on page 315.

As of March 31, 2023, we had total secured borrowings (current and non-current borrowings) of ₹2,858.11 million, which represents 22.31% of our total assets. These borrowings are secured, *inter alia*, through a charge by way of hypothecation on our present and future current assets and fixed assets as well as through mortgage on our land and building on which our manufacturing facilities are located in favour of the lenders. For further details, see "***Financial Indebtedness***" on page 337, "***Restated Consolidated Financial Information – Note 15 – Borrowings (non-current)***" on page 303 and "***Restated Consolidated Financial Information – Note 20 – Borrowings (Current)***" on page 306. As some of these secured assets pertain to our manufacturing facilities, our rights in respect of transferring or disposing of these assets are restricted. In the event we fail to service our debt obligations, the lenders have the right to enforce the security in respect of our secured borrowings and dispose of our assets to recover the amounts due from us. Any such shut down of our manufacturing facilities would adversely affect our business, financial condition and results of operations.

Furthermore, our loan agreements with our lenders also contain certain negative covenants, including but not limited to, that our Company cannot change the shareholding pattern of our Promoters or Company's management or constitution or effect a merger, amalgamation, compromise or reconstruction, undertake a buyback or effect any change in our shareholding pattern without the consent of the relevant lender. Furthermore, any alteration to our Memorandum of Association and Articles of Association in a manner that adversely affects the rights or interests of the lender under these financing agreements, also require the consent of the concerned lender. Any failure on our part to comply with these terms in our financing agreements including the security agreements would generally result in events of default under these financing agreements. In such a case, the lenders under each of these respective loan agreements may, at their discretion, accelerate payment and declare the entire outstanding amounts under these loans due and payable, and in certain instances, enforce their security which has been constituted. While there have been no instances in the past of any such default of our debt obligations or breach of covenants in our financing agreements, we cannot assure you that we will be able to obtain necessary approvals to undertake any of these activities as and when required or to comply with such covenants or other covenants in the future. For details in relation to the terms of our financing arrangements, see "***Financial Indebtedness***" on page 320.

26. ***We have entered into certain credit facilities that are repayable on demand. Any unexpected demand for repayment of such facilities by the lenders may adversely affect our business, financial condition, cash flows and results of operations.***

Some of our borrowings such as cash credit facilities, letters of credit and bank guarantees are drawn on facilities that are repayable on demand in accordance with their respective terms. The table below sets forth our borrowings payable on demand as of the dates stated:

Particulars	**As of**		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
		Amount (₹ million)	
Borrowings payable on demand	861.90	400.18	258.79

Our borrowings payable on demand include, unsecured borrowings that are payable in demand on account of sales invoice discounting outstanding to ₹322.00 million as of March 31, 2023.

For further details, see "***Financial Indebtedness – Key Terms of our borrowings – Tenor and repayment***" on page 337. Any failure to service such indebtedness, comply with a requirement to obtain lender consent or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to such borrowing being repayable on demand, termination of one or more of our credit facilities or penalties and acceleration of amounts due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects. While there have been no instances in the past of any loans or facilities being recalled by lenders, nor a failure to comply with covenants in financing agreements, we cannot guarantee that we will be able to service our loans or comply with such covenants or other covenants in the future.

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

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

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

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
		Amount (₹ million)	
Unhedged exposure on translation of trade receivables (A)	171.65	181.03	55.73
Unhedged exposure on translation of trade payables (B)	12.01	22.32	9.67
Unhedged foreign currency exposure (net) (C=A-B)	159.64	158.71	46.06

For further information, see "***Restated Consolidated Financial Information – Note 38 – Financial instruments - fair value measurement and risk management***" on page 315. Accordingly, any significant fluctuation in the exchange rates and appreciation in the value of the Indian Rupee against foreign currencies in particular, could result in an adverse effect on our business, results of operations, financial condition and future prospects.

Our imports of material and capital expenditure have also been impacted by such fluctuations in the past, and will be impacted in the future if such fluctuations continue. Any depreciation in the value of the Indian Rupee against foreign currencies such as the USD and Euro has a negative effect on our expenditure and investment.

28. Our Statutory Auditors have included certain matters prescribed under the Companies (Auditor's Report) Order 2020 in their report on our Restated Consolidated Financial Information as of and for Fiscals ended March 31, 2023 and 2022.

In the examination report on our Restated Consolidated Financial Information, our Statutory Auditors have included certain matters prescribed under the Companies (Auditor's Report) Order 2020 for Fiscal 2023 and Fiscal 2022, which do not require any corrective adjustments in the Restated Consolidated Financial Information. These matters involve absence of registration of title deeds with respect to certain property occupied by our Company, discrepancies between the quarterly financial statements submitted to the Company's lenders and the Company's books of accounts, and utilization of working capital loans for long-term purposes such as acquisition of property, plant and equipment. For further details, see "***Restated Consolidated Financial Information – Note 51 – Statement of Restatement Adjustments***" on page 329.

We cannot assure you that our Statutory Auditors' reports for any future financial period will not contain similar matters or other remarks, observations or other matters prescribed under Companies (Auditor's Report) Order 2020, and that such matters will not otherwise affect our results of operations.

29. We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks, including those pertaining to litigation and claims by third parties.

Our business involves many risks and hazards which may adversely affect our profitability, including breakdowns, failure or substandard performance of equipment, third-party liability claims, labour disturbances, employee fraud and infrastructure failure. Our principal types of coverage include among others, protection from fire, earthquake, burglary, and fraudulent and dishonest acts committed by an employee or any other person, employee insurance policies such as medical and personal accident insurance policies and general liability insurance (including coverage for product recalls). See "***Our Business – Insurance***" on page 219 for further details on our insurance coverage. Our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business. While none of our insurance policies are due for renewal as of date, we cannot assure you that such renewals in the future (on expiry) will be granted in a timely manner, at acceptable cost or at all.

Furthermore, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. We may also be required to bear increased premiums for our insurance to provide coverage for pandemics such as COVID-19. The table below sets forth certain information on our insurance coverage as at the dates stated:

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Amount (₹ million)	*% of total assets*	*Amount (₹ million)*	*% of total assets*	*Amount (₹ million)*	*% of total assets*
Insured assets*	6,414.48	50.07%	5,005.28	45.27%	4,407.02	46.48%

**Includes Non-Current tangible assets (other than land), Stock and Cash.*

While our insurance claims have not exceeded our insurance coverage and we have not recognized any losses in the last three Fiscals due to partial or total rejection of our claims by our insurers, there can be no assurance that claims in the future will continue to be covered or accepted in full by our insurance policies. The occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honored fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial condition, results of operations and cash flows.

30. ***The development of safety systems and critical engineering solutions involves a lengthy and expensive process with uncertain timelines and outcomes. Some of our product or process development decisions, including R&D costs, or investments in technologies, may not meet our expectations, and our investment in such projects may be unprofitable.***

The development of new, technologically advanced safety systems and critical engineering solutions is a complex and uncertain process requiring innovation and skilled engineering and development personnel, as well as the accurate prediction of technological and market trends. We invest in R&D to sustain or enhance our existing products and to develop new technologies and processes that would better allow us to customize component parts for our customers. The table below sets forth the strength of our R&D and engineering department as of the dates stated:

Particulars	March 31, 2023		March 31, 2022		March 31, 2021	
	Number of staff	*% of total staff (i.e., workforce excluding shop floor employees)*	*Number of staff*	*% of total staff (i.e., workforce excluding shop floor employees)*	*Number of staff*	*% of total staff (i.e., workforce excluding shop floor employees)*
R&D and engineering staff	74	6.03%	67	5.52%	60	5.15%

Furthermore, our R&D expenses during Fiscals 2023, 2022 and 2021, are set forth in the table below.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
R&D expenses (1)	6.82	0.03%	6.28	0.03%	5.09	0.03%

Notes:

(1) R&D expenses comprise testing expenses and advisory services, but excludes compensation paid to R&D and engineering staff.

There is often a long duration of up to five years between commencing development initiatives and commercializing such new or improved solutions or products. During this time, technology preferences, customer demand and the markets for our products, or those introduced by our competitors, may move in unanticipated directions, and we may fail to capitalize on a market opportunity in a timely manner or altogether. Furthermore, our customers may not be satisfied with the outcome of our R&D activities resulting in orders for such new or enhanced products not being confirmed. There is no guarantee that our new or enhanced products or process improvements or production techniques will achieve market acceptance or that the timing of market adoption will be as predicted. We may also be unable to achieve the first-to-market stage if our competitors commercialize similar products before us. There is a possibility, therefore, that some of our product or process development decisions, including R&D costs, or investments in technologies, may not meet our expectations, and that our investment in some projects may be unprofitable. While our R&D initiatives have helped us achieve confirmed orders from our customers in the last three Fiscals, changes in market demand or customer requirements may cause us to discontinue existing or planned developments for new products or components, which could have a material adverse effect on our financial condition and relationships with customers.

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

We have, from time to time, entered into various transactions with related parties, including for purchase of goods and services, purchase of fixed assets, sale of goods and services and issuance of corporate guarantees. In addition, we rely on our related parties for occupying buildings owned by them and leased to us for our manufacturing operations. For further details on our lease agreements, see "***Our Business – Property***" on page 220.

The table below sets forth the total amount of our related party transactions in the ordinary course of business for the Fiscals stated:

Particulars	**For Fiscal 2023**		**For Fiscal 2022**		**For Fiscal 2021**	
	Amount (₹ million)	***% of total income***	***Amount (₹ million)***	***% of total income***	***Amount (₹ million)***	***% of total income***
Total related party transactions	2,646.67	10.31%	4,271.48	21.10%	1,134.83	7.24%

For information on all our related party transactions, see "***Restated Consolidated Financial Information – Note 39 – Related Party Disclosures – Particulars of transactions with related parties***" on page 320.

Some of our related party transactions include lease/ permitted use of our Registered Office and our manufacturing facility ASK-1 to our Company from our Directors and members of our Promoter Group, Prashant Rathee and Aman Rathee; lease of our manufacturing facility ASK-2 to us by our Group Company, A.P. Automotives Private Limited; loans advanced and employee services provided by our Company to our Joint Venture AFFPL in exchange for a monthly compensation as set out under an employee loaning agreement with AFFPL; and purchase of goods such as brake liners and job-work for brake shoe from A.A. Friction Materials Private Limited, one of our Group Companies and a member of the Promoter Group. For further information, see "***Our Management – Interest of Directors***", "***Our Promoter and Promoter Group – Interest of our Promoters***", "***Group Companies – Nature and extent of interests of our Group Companies***" and "***Group Companies – Related business transactions***" on pages 249, 263, 266 and 267, respectively.

The transactions with related parties have been conducted in the ordinary course of business and on an arm's length basis, in accordance with applicable laws, and are not prejudicial to the interest of our Company. It is likely that we will continue to enter into related party transactions in the future. Some of these transactions may require significant capital outlay and there can be no assurance that we will be able to make a return on these investments. Although all related-party transactions that we may enter into will be subject to Audit Committee, Board or shareholder approval, as may be required under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will perform as expected/ result in the benefit envisaged therein, or that we could not have undertaken such transactions on more favorable terms with any unrelated parties.

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

As of March 31, 2023, our Restated Consolidated Financial Information disclosed the following contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(in ₹ million)

Nature of Contingent Liabilities	**As on March 31, 2023**	**As on March 31, 2022**	**As on March 31, 2021**
ASK Automobiles Private Limited - Term loan and working capital requirement	2,540.00	2,140.00	-
ASK Fras-le Friction Private Limited** - Term loan and working capital requirement	835.00	835.00	540.00
Total	**3,375.00**	**2,975.00**	**540.00**

*** This amount represents total corporate guarantee given by the Company and AFFPL jointly. Company as co guarantor with AFFPL has given the guarantee equivalent to its shareholding in the Joint Venture.*

Furthermore, we executed surety bonds in favor of the President of India, under the EPCG Scheme for importing capital goods at a concessional rate of custom duty, GST and other duties/ taxes. The amount of duties and taxes saved against which there was an unfulfilled export obligation of ₹43.58 million, ₹84.58 million and ₹93.40 million, as of Fiscals ended March 31, 2023, 2022 and 2021, respectively. For details see, "***Restated Consolidated Financial Information – Note 37 – Contingent liabilities***" on page 314.

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

If at any time we are compelled to realize all or a material proportion of these contingent liabilities, it would have a material and adverse effect on our business, financial condition and results of operations.

33. ***We are entitled to certain tax and export benefits which are subject to the policies and decisions of the Government of India.***

Certain special tax benefits are available to our Company and our shareholders, including (i) direct tax benefits such as lower corporate tax rate on income of domestic companies, deductions in respect of employment of new employees, inter-corporate dividends, expenditure towards business expansion, set-off of losses; and (ii) indirect tax benefits such as remission of duties and taxes on exported products and export promotion capital goods. For further details, please see "***Statement of Special Tax Benefits***" on page 116.

Our profitability will be affected to the extent that such benefits will not be available beyond the periods currently contemplated. Our profitability may be further affected in the future if any of such benefits are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. While there have been no material reductions or premature withdrawals of such tax benefits in the last three Fiscals, if any adverse development, whether or not attributable to applicable law or the manner of its implementation, affects our ability to benefit from these tax incentives, our business, financial condition, results of operations and prospects may be adversely affected.

Furthermore, our Company currently also enjoys certain fiscal benefits on account of policies of the Government of India, including various concessions on duty imports and Export incentives such as Remission of Duties and Taxes on Exported Products ("**RoDTEP**"), Duty Drawback ("**DBK**") and Export Promotion Capital Goods Scheme ("**EPCG Scheme**") of the Government of India. The RoDTEP incentive is in the form of Duty Credit Scrip which can be used for payment of import duty obligations. The EPCG scheme allows exemption of import duty in case of import of capital goods against an export obligation over a specified period as per authorization. The table below sets forth the export incentives we have availed in the Fiscals stated:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Duty drawback and export benefits	20.37	0.08%	24.84	0.12%	19.91	0.13%

In the case of our export products, with our current product mix, the average rate of RoDTEP is approximately 3% of FOB value of exports. The EPCG Scheme allows imports at concession rates of custom duty and GST and requires the importer to export a specified quantity of goods over a period of six years from the license date. 50% export obligation is required to be fulfilled within first four years with the remaining 50% within next two years. Non-fulfilment of such obligations may result in confiscation of capital goods imported under this scheme and other penalties as set out in this scheme.

We have not been subject to any penalties on account of failure to meet our export obligations in the past. However, in the event of any default under the EPCG Scheme, our results of operations may be adversely affected. As we seek to export a larger proportion of our products outside of India, any changes in the policies of the Government of India may have a proportionately greater adverse effect on our results of operations and financial condition.

Legal and regulatory risks

34. ***We are unable to trace some of our historical records including forms filed with the Registrar of Companies, Haryana.***

Certain of our Company's corporate records are not traceable. These records include: (i) return of allotment (form 2) for the allotment of equity shares on August 16, 1988 and January 2, 1989; (ii) form 5 filed for the increase in the authorized share capital of our Company on May 11, 1992; (iii) form 32 for appointment of Kuldip Singh Rathee as a Director at the time of incorporation of our Company; and (iv) share transfer forms relating to the transfers of equity shares of our Company made in 1990, 1992, 1995, 1996, 1998, 2000, 2003, 2004, 2005. For details see, "***Capital Structure – Notes to Capital Structure – History of the share capital held by our Promoters and the members of our Promoter Group in our Company – Build-up of our Promoters' shareholding in our Company***" on page 94. We have included these details in the Draft Red Herring Prospectus in reliance on the other corporate records, such as, board resolutions, where available, and the search report dated December 15, 2022 prepared by Vinod Kumar & Co, Company Secretaries (Membership number: 5740), pursuant to their inspection and independent verification of the documents available/ maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the Registrar of Companies ("**RoC**").

We cannot assure you that the relevant corporate records will become available in the future, or that regulatory proceedings or actions will not be initiated against us in the future, and we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

35. ***There are certain delays in payment of statutory dues by us. Any further delay in payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have an adverse impact on our financial condition and cash flows.***

We have had instances of delay in the payment of certain statutory dues involving an amount of ₹2.17 million in the last three Fiscals, with respect to non-payment of TDS and provident fund, among others. There can be no assurance that such defaults/ delay may not arise in the future. This may lead to financial penalties from respective government authorities which may have a material adverse impact on our financial condition and cash flows.

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

We are subject to environmental and related laws and regulations in the states in which we operate. These include laws regulating the generation, storage, handling, use and transportation of waste materials, the emission and discharge of waste materials particularly hazardous and pollutant discharge into soil, air or water, and the health and safety of our employees. We are also required to obtain and comply with environmental permits for certain of our operations. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016, in order to establish and operate our manufacturing facilities in India and are subject to inspections from the relevant authorities in order to maintain such approvals. We are also subject to laws requiring the clean-up of contaminated sites. For details on the regulations and policies applicable to our Company, see "***Key Regulations and Policies in India***" and "***Government and other Approvals***" on page 225 and 385, respectively.

Regulatory permits required for our operations may be subject to annual or periodic renewal and, in certain circumstances, modification or revocation. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business may lapse in their normal course and our Company applies to the relevant central or state government authorities for renewal of such licenses, consents, registrations, permissions and approvals. For instance, as on the date of this Draft Red Herring Prospectus, application dated March 3, 2023 filed by our Company for, among others, renewal of the approval under the Air Act, Water Act and Hazardous Wastes (Management and Transboundary Movement) Rules, 2016, each of which expired on March 31, 2023, in relation to our manufacturing facility ASK-5 are pending.

A suspension, cancellation or refusal to extend our approvals and registrations may require us to cease production at some or all of our manufacturing facilities (or may affect other aspects of our operations), which may have an adverse effect on our business, financial condition, results of operations and prospects. There can be no assurance that we will be in complete compliance at all times with such laws, regulations and the terms and conditions of any consents or permits. If we violate or fail to comply adequately with these requirements, we could be fined or otherwise sanctioned by the relevant regulators. While we have not been fined or otherwise sanctioned in the last three Fiscals, any fines or sanctions in the future could adversely affect our business, reputation, financial condition or results of operations.

Furthermore, our approvals and registrations are subject to numerous conditions such as audit requirements. Breach or non-compliance with specified conditions may result in the suspension, withdrawal or termination of our approvals and registrations or the imposition of penalties by the relevant authorities. While there have been no past instances of suspension of the approvals, licenses, registrations or permits issued to us, in last three Fiscals, we cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. For further details, see "***Government and Other Approvals***" beginning on page 385. We engage various contractors at our manufacturing facility, we cannot assure you that the contractors operating on our manufacturing facility will be able to obtain and maintain relevant approvals for continuous operations of such facilities. Environmental laws and regulations, and the interpretation and enforcement thereof, are also subject to change and have tended to become stricter over time, in India and internationally, and may require us to make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

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

There are outstanding legal proceedings involving our Company and one of our Directors. These proceedings are pending at different levels of adjudication before various courts and regulatory authorities. Such proceedings could divert management time and attention and consume financial resources in their defense. Furthermore, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition, results of operations and future cash flows.

A summary of the outstanding proceedings involving our Company, Subsidiary, Directors, Promoters and Group Companies in accordance with requirements under the SEBI ICDR Regulations, as disclosed in this Draft Red Herring Prospectus, to the extent quantifiable, are set out below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Disciplinary actions by the SEBI or Stock Exchanges against the Promoters	Material pending civil litigation	Aggregate amount involved (in ₹ million)*
Company						
By the Company	4	Nil	Nil	NA	Nil	1.28
Against the Company	Nil	2	2	NA	Nil	46.03
Subsidiary						
By the Subsidiary	Nil	Nil	Nil	NA	Nil	Nil
Against the Subsidiary	Nil	Nil	Nil	NA	Nil	Nil
Directors						
By the Directors	Nil	Nil	Nil	NA	Nil	Nil
Against the Directors	1	1	Nil	NA	Nil	17.97
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	1**	Nil	Nil	Nil	17.97
Group Companies						
Outstanding litigation which may have a material impact on our Company	Nil					

**To the extent quantifiable.*

*** This includes a tax proceedings against our Promoter and Director, Kuldip Singh Rathee.*

This includes criminal proceedings initiated against one of our Independent Directors, Arun Duggal, in his capacity as the erstwhile non-executive chairman of Shriram Finance Limited (formerly Shriram Transport Finance Company Limited). Further, our Company has also received an order dated May 23, 2023 from Directorate of Enforcement, Department of Revenue, Ministry of Finance, Government of India in connection with an investigation under the Foreign Exchange Management Act, 1999, as amended. For further details of such legal proceedings and notices involving our Company and Promoters, see "***Outstanding Litigation and Material Developments***" on page 380.

We cannot provide any assurance that these legal proceedings will be decided in our favor. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

38. The availability of counterfeit products, our failure to keep our technical knowledge confidential, or our ability to obtain and protect our intellectual properties may have adverse effects on our business and results of operations.

Entities could pass off their own products as ours, including producing counterfeit or pirated products. As a result, our market share could be reduced due to replacement of demand for our products and any deficiency in the quality of the counterfeit products will adversely affect our reputation and goodwill with customers. We have previously engaged third party agencies to conduct raids and confiscation/ seizures of duplicate products of ASK brand, which infringe on our trademark. For instance, in 2018 we had conducted a raid in Uttam Nagar, New Delhi, Delhi, where several counterfeit brake shoes of ASK brand were seized. For further details, see "***Outstanding Litigation and Material Developments – Litigation filed by our Company – Criminal proceedings***" on page 381. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business prospects, while our results of operations and financial condition could suffer.

As on the date of this Draft Red Herring Prospectus, we have 10 registered trademarks in India and 12 registered trademarks in other jurisdictions. Further, as on the date of this Draft Red Herring Prospectus, we have filed five trademark applications for certain key trademarks such as , and under classes 12, 35 and 37. Out of these five applications, two applications have been accepted and advertised, one application has been marked for examination and two applications have been objected as on the date of this Draft Red Herring Prospectus. There can be no assurances that these applications will be successful or that we will be able to register these marks. Furthermore, our technical knowledge and our formulations are significant independent assets that are guarded as trade secret and may not be adequately protected by intellectual property rights. As a result, we cannot be certain that our technical knowledge and formulations will remain confidential in the long run. As of March 31, 2023, only seven out of the 52 proprietary formulations used in the production of our AB systems, have been licensed to us, while the remaining have not been protected by intellectual property registrations. For details in relation to our intellectual property rights, see "***Our Business – Intellectual Property***" and "***Government and Other Approvals – Our Intellectual Property***" on pages 217 and 387.

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

The illegal use of our trademarks or logos by third parties or any negative publicity about our brand(s) could affect our reputation which in turn, affects our ability to attract and/or retain customers. For instance, we have initiated criminal and civil proceedings before various courts against infringement of our registered trademarks and producing and selling products that are counterfeit versions of our products. For further details, see "***Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed by our Company – Criminal proceedings***" and "***Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation filed by our Company – Other civil litigations***" each on page 381. Any adverse outcome in such legal proceedings or any other proceeding(s) that we may initiate, or failure to successfully enforce our intellectual property rights, or any leak of confidential technical information may have an adverse effect on our business, results of operations and cash flows.

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

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

In addition, in certain cases, our customers share their intellectual property rights in the course of the product development process that we carry out for them. We are bound by confidentiality obligations under our non-disclosure agreements with our customers to protect their intellectual property, including in relation to technical data such as product designs and drawings shared with us. Although in the past there has been no breach or misuse of intellectual property or proprietary data, an inadvertent breach or any misuse of intellectual property or proprietary data by any of our employees or sub-contractors may expose us to expensive infringement claims and may diminish our goodwill and reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively.

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

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

The Government of India enacted the Code on Wages, 2019, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, all the provisions of which will be brought into force on a date to be notified by the Central Government. For details, see "***Key Regulations and Policies in India***" on page 225. These codes propose to subsume several existing laws and regulations in India and we cannot assure you that these codes will not impose more stringent or additional compliance requirements on us, which may increase our compliance costs. We may also be subject to changing judicial interpretation of the relevant statutes. For instance, the Supreme Court of India in a recent judgment has upheld the circular dated March 20, 2019 issued by the Employees' Provident Fund Organisation, which excludes certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the EPF Act. We cannot assure you that we will not be adversely affected by similar developments in the future. We have also in the past entered into bonus settlement agreements under the Industrial Disputes Act, 1947, as amended, with our workmen at various manufacturing facilities, which stipulate bonus rates for the relevant Fiscals that we are required to pay.

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

Furthermore, in order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. Although we do not engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for providing statutory benefits, including wages to these labourers if the independent contractors fail to do so. If we are required to pay the wages of the contracted employees, our results of operations and financial condition could be adversely affected. In addition, we may be required to absorb a number of such contract labourers as permanent employees pursuant to an order from a regulatory body or court which may have an adverse effect on our financial condition. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract labourers or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations.

Risks related to our Promoters and Promoter Group

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

We benefit from the strategic guidance of Kuldip Singh Rathee, one of our Promoters, who is also our Chairman and Managing Director. If his involvement in our business reduces in the future, we may be unable to implement our plans as anticipated or maintain administrative control as we currently do, which in turn could adversely affect our business, results of operations, financial condition and prospects. As our Promoter is presently engaged in other businesses including real estate, any increased focus on such real estate business may divert his attention from our business. For further information, see "***Our Promoters and Promoter Group – Interest of our Promoters***" on page 263.

Furthermore, our future performance will also depend on the continued service of our Key Managerial Personnel and Senior Management and persons with technical expertise, and the loss of any such employee and the inability to find an adequate replacement may impair our relationship with our customers and our level of technical expertise, which may adversely affect our business, results of operations, financial condition and prospects. For details of our Board, Key Managerial Personnel and Senior Management, see "***Our Management – Key Managerial Personnel and Senior Management***" on page 260.

In addition, our success in expanding our business will also partly depend on our ability to attract, retain and motivate mid-to-senior management personnel and engineers. The table below sets forth the breakdown of our staff (i.e., workforce excluding shop-floor personnel) by professional qualifications as of March 31, 2023:

Particulars	As of March 31, 2023
Engineering degrees	330
Other professional qualifications	136
Technical diploma	395
Others	367
Total staff	**1,228**

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

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

Particulars	As of/ for the year ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Key Managerial Personnel and Senior Management			
Number of Key Managerial Personnel and Senior Management	12	12	12
Attrition Rate(1) (Key Managerial Personnel including Senior Management)	Nil	Nil	16.00%
Total staff			
Total staff employed	1,228	1,214	1,166
Attrition Rate(1)	19.57%	15.55%	11.64%

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

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

42. ***Our Promoters and certain of our Directors (some of whom are our Key Managerial Personnel) may have interests in the Company other than reimbursement of expenses incurred or normal remuneration or benefits. Further, we have acquired land from entities who are related to our Promoters and Directors.***

Our Promoters and certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses.

- Our manufacturing unit, ASK-2, situated at 30-31, Village Nawada, Fatehpur, Gurugram 122 050, Haryana, India has been leased to us by A.P. Automotives Private Limited, where our Directors, and members of our Promoter Group, Prashant Rathee and Aman Rathee are also directors ; and

- Our manufacturing facility, ASK-1 (Manesar, Haryana), situated at Plot No. 157-158, Sector-5 IMT Manesar, Gurugram 122050, Haryana, measuring 900 square metres has been taken on lease from our Directors, Prashant Rathee and Aman Rathee, for a period of 3 years commencing on April 1, 2021 to March 31, 2024.

- Additionally, our Registered Office is owned by our Director, Prashant Rathee and has been provided to us for usage pursuant to the agreement dated November 1, 2022.

In addition to the above, our Promoters and certain of our directors namely Prashant Rathee and Aman Rathee, who are also a part of the Promoter Group of our Company, hold Equity Shares, pursuant to which they may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders.

We cannot assure you that our Promoter and our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future. This may give rise to a conflict of interest, which may adversely affect our business, financial condition, cash flows and results of operations.

For further details, see *"**Our Management – Interest of Directors**", "**Our Promoters and Promoter Group – Interest of our Promoters**"* and *"**Restated Consolidated Financial Information – Note 39 –Related party disclosures**"* on pages 249, 263 and 319.

43. Our Promoters, who are also our Directors, are promoters and directors of a company forming part of our Promoter Group, whose equity shares were suspended from being traded on, and which were subsequently voluntarily delisted from, the Calcutta Stock Exchange Limited during their tenure.

Our Promoters, Kuldip Singh Rathee and Vijay Rathee, who are also our Directors, are promoters and directors of Som Datt Finance Corporation Limited, a member of our Promoter Group, whose equity shares were suspended from trading by the Calcutta Stock Exchange Limited ("**CSE**") between March 21, 2014 to August 18, 2021 due to non-compliance with the listing agreement and such suspension from trading was revoked by CSE on August 18, 2021. Post revocation of suspension, Som Datt Finance Corporation Limited applied for voluntary delisting before CSE and the equity shares of Som Datt Finance Corporation Limited were subsequently voluntarily delisted from the CSE on December 20, 2021. The equity shares of Som Datt Finance Corporation Limited were also voluntarily delisted from the Delhi Stock Exchange Limited, Jaipur Stock Exchange Limited and Madras Stock Exchange Limited in 2007. As on the date of this Draft Red Herring Prospectus, Som Datt Finance Corporation continues to be listed on BSE Limited. See "***Our Management – Confirmations***" and "***Our Promoter and Promoter Group – Promoter Group - Entities forming part of the Promoter Group***" on pages 250 and 264, respectively.

44. Our Promoters, who are also our Directors, 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 of date of this Draft Red Herring Prospectus, our Promoters, who are also our Directors, and Promoter Group hold the entire paid-up equity share capital of our Company. For details, see "***Capital Structure***" on page 88. Our Promoters and members of our Promoter Group will therefore have the ability to influence our operations significantly. This will include the ability to appoint Directors to our Board and the right to approve significant actions at Board and Shareholders' meetings including issue of Equity Shares, payment of dividends, determining business plans and mergers and acquisitions strategies. Furthermore, if, in the future, our Promoters and members of our Promoter Group are unwilling to dilute their equity stake in our Company and do not, or are unable to, fund us, our growth may be affected. In addition, the trading price of the Equity Shares could be materially adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in the hands of our Promoters.

45. ***Our Promoters have provided personal guarantees to lenders for certain loan facilities availed of by certain members of our Promoter Group, which if invoked may adversely affect our Promoters' ability to manage the affairs of our Company and which in turn may adversely impact our business and operations.***

Our Promoters have given guarantees in relation to certain borrowings availed by certain members of our Promoter Group. In the event of default in repayment of such borrowings by such Promoter Group members, these guarantees may be invoked by the lenders thereby adversely affecting our Promoters' ability to manage the affairs of our Company and this, in turn, could adversely affect our business and operations.

The details of guarantees provided by our Promoters, and outstanding as of the date of this DRHP, are stated below:

Amount of the guarantee	Purpose	Entity in whose favour the guarantee has been provided	Obligation of the Promoter
Kuldip Singh Rathee			
₹ 250 million	In respect of facilities availed by Prashant Rathee and Aman Rathee Rathee	Bajaj Finance Limited	Bajaj Finance Limited is entitled to invoke the deed of guarantee directly against Kuldip Singh Rathee in accordance with the terms and conditions of the deed of guarantee.
₹ 200 million	In respect of facilities availed by Vijaylaxmi Infrabuild Private Limited		
₹ 200 million	In respect of facilities availed by Vijaylaxmi Infrabuild Private Limited		
₹ 50 million	In respect of facilities availed by Vijaylaxmi Infrabuild Private Limited		
₹ 350 million	In respect of a home loan availed by Vijaylaxmi Infra Projects Private Limited	Standard Chartered Bank	In case of default in repayment by Vijaylaxmi Infra Projects Private Limited, Standard Chartered Bank may invoke the guarantee against Kuldip Singh Rathee.
Vijay Rathee			
₹ 200 million	In respect of facilities availed by Vijaylaxmi Infrabuild Private Limited	Bajaj Finance Limited	Bajaj Finance Limited is entitled to invoke the deed of guarantee directly against Vijay Rathee in accordance with the terms and conditions of the deed of guarantee.
₹ 200 million	In respect of facilities availed by Vijaylaxmi Infrabuild Private Limited		
₹ 50 million	In respect of facilities availed by Vijaylaxmi Infrabuild Private Limited		

For further details in relation to the personal guarantees provided by Kuldip Singh Rathee and Vijay Rathee, see "***History and Certain Corporate Matters – Guarantees given by our Promoters offering their Equity Shares in the Offer for Sale***" on page 236.

Risks related to the Objects of the Offer

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

The Offer comprises an Offer for Sale by the Selling Shareholders. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer expenses) and our Company will not receive any part of the proceeds of the Offer. For further information, see "***The Offer***" and "***Objects of the Offer***" on pages 73 and 103, respectively.

Other risks

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

We face an inherent business risk of exposure to product liability or recall claims in the event that our products fail to perform as expected or such failure results, or is alleged to result, in bodily injury or property damage or both. While there have been no such claims in the past, we cannot assure you that we will not experience any material product liability claims in the future or that we will not incur significant costs to defend any such claims.

As suppliers become more integrally involved in the vehicle design process and assume more vehicle assembly functions, vehicle manufacturers may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Vehicle manufacturers are also increasingly requiring their outside suppliers to provide warranties for their products and bear the costs of repair and replacement of such products under new vehicle warranties. Depending on the terms under which we supply products, our customers may hold us responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties provided by us or by our customers, when the product supplied does not perform as expected. For instance, we received warranty claims amounting to ₹1.99 million in Fiscal 2023 for brake shoes supplied by us through the IAM. A successful warranty or product liability claim or costs incurred for a product recall in excess of our available insurance coverage, if any, would have an adverse effect on our business, results of operations and financial condition.

Furthermore, under the product warranties provided by us to certain customers, we may be required to recall the product or bear the costs and expenses for the repair or replacement of these defective products or the customer may remedy the defect itself and reimburse such costs from us. In addition, our or our component supplier's failure to comply with applicable quality standards could also result in our products failing to perform as expected, or may result in bodily injury or property damage or both due to product failure, work accidents, fire or explosion, if our products are defective or are used incorrectly by our customers (or by their customers, who are the end-users). We may also be required to indemnify customers against losses occurring as a result of defective products and reimburse our customers for administrative, labor, material and other such costs.

While we maintain product liability insurance that is customary for our industry, these may be insufficient to protect against any or all civil claims which may be brought against our OEM customers, and we may be made parties to such claims where damages may have been caused by any faulty products that we produced. We cannot assure you that such claims will not be brought against us in the future, and any adverse determination may have an adverse effect on our business, results of operations and financial condition and reputation.

48. If there is deterioration in the reputation and market perception of our brands, or if our sales and marketing efforts are ineffective, it could adversely affect our sales, profitability and the implementation of our growth strategy.

Our brand and reputation are among our important assets, and the performance and quality of products are critical to the success of our business. Our brand is primarily relevant to us in the IAM category. In particular, we operate and sell our products under our "ASK" brand in the IAM category which has been registered under class 12 of the Trademarks Act. We also have one trademark registered under Class 35 of the Trademarks Act. The success of our IAM products depends on the effectiveness of the product design, quality of the raw materials and bought out components, quality control systems, installation and after sales service, which in turn, depend on the skills and experience of our personnel, the quality of our training program, and our ability to ensure that such personnel adhere to our policies and guidelines. While there have been no such instances of deterioration in our brand and reputation in the past, any adverse change in the quality of products rendered by us including due to reasons beyond our control, or allegations of defects, even when false, at any of our manufacturing facilities could tarnish the image of our brands, result in negative reviews and feedback from our customers. See, "***Our Business***" on page 181 for further details.

Furthermore, our brand building also depends on the effectiveness of sales and promotional activities and choice of channel partners. There can be no assurance that our efforts in these areas would always be effective. Any adverse development or decline in our brand value and reputation may adversely affect our business, results of operations and financial condition.

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

While the majority of our revenue from operations is derived from the domestic automotive market, we also sell our products in the overseas markets. During Fiscals 2023, 2022 and 2021, we exported our products outside India to North America, South America, Africa, Europe, Asia and the Middle East.

The table below sets forth our exports as a percentage of our total revenue from operations for the Fiscals stated.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
Export revenue (net)	929.68	3.64%	1,005.38	4.99%	550.49	3.57%

While we intend to continue our focus on expanding our export sales, we face various challenges in our expansion into new export markets, including the lack of familiarity with the economic conditions of these new markets and lack of brand recognition and reputation in the new markets. The risks involved in entering new geographic markets and expanding operations may be higher than expected, and we may face significant competition in such markets. In the event we are unable to successfully expand into new geographical regions, our growth plans and future performance may be adversely affected. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices, exposure to risks of expropriation or other government actions and political, economic and social instability.

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

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

Our risk management systems, information technology systems and internal control procedures are designed to monitor our operations and overall compliance. However, we cannot assure you that that the measures we have implemented to detect and reduce the occurrence of fraudulent activities would be effective in combating fraudulent transactions or improving overall satisfaction among our stakeholders. Therefore, we are subject to the risk that fraud or other misconduct may have previously occurred but remains undetected or may occur in the future. From time to time, we have received various communications, including, anonymous communications in the nature of whistleblower complaints. During the last five Financial Years, we have received an aggregate of 13 whistleblower complaints, which have been investigated and addressed by the Company. For instance, we have received a complaint raising concerns about misappropriation of Company's funds and a complaint regarding bias by the Company officials during appraisals. Our Company has subsequently taken certain steps, as considered relevant, to address such concerns in the future. As on the date of this Draft Red Herring prospectus, there are no outstanding whistleblower complaints in our Company's records. However, any such concerns or complaints in the future may adversely affect our business, reputation, financial condition, operations and prospects. Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time due to evolving business conditions. In the past three Fiscals, our internal controls have not been subject to any major deficiencies. However, we cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any such deficiencies could materially and adversely affect our business, reputation, financial condition and prospects.

51. Failure or disruption of our Information Technology systems may adversely affect our business, financial condition, results of operations and prospects.

We have implemented various Information Technology ("**IT**") systems that cover key areas of our operations, procurement, inventory, sales and dispatch and accounting. We rely on our IT systems for the timely supply of our products to customers. IT systems are potentially vulnerable to damage or disruptions from a variety of sources, including those resulting from natural disasters, power outages, cyber-attacks, failures in third-party-provided services or a range of other hardware, software and network problems, which could result in a material adverse effect on our operations or lead to disclosure of sensitive company information. While there have been no instances in the past of any such disruption to our IT systems, we cannot guarantee that we will not be impacted by a disruption to our IT systems in the future. A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs.

A large-scale IT malfunction or cyber-attacks on our network could pose cybersecurity risks which may result in breaches of confidentiality, availability of the data and/or transactions processed by the information systems (system malfunction, data theft and data destruction). These may result from external (denial of service, hacking, malware) or internal (tampering, breach of data confidentiality) threats. As a result, a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property (including product designs, design software and other trade secrets) or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. As such, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or enterprise resource planning systems may lead to inefficiency or disruption of our IT systems, thereby adversely affecting our ability to operate efficiently.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations. In addition, we may be required to incur significant costs to protect against damage caused by such attacks or disruptions in the future or failure by us to comply with Indian or foreign laws and regulations, including laws and regulations regulating privacy, data protection or information security, which may increase our costs and otherwise materially adversely affect our business, results of operations, financial condition and prospects.

We have also in the past relied on, and may continue to rely on third-party vendors for aspects of our cybersecurity strategy maintaining our IT infrastructure, such as to conduct security reviews and there can be no assurance that such reviews by these vendors, or measures we take in response to such reviews, will be effective at identifying or preventing any cybersecurity threat.

52. The coronavirus pandemic ("COVID-19") has had an adverse effect on our business and operations, and the extent to which it may continue to do so in the future cannot be predicted.

As a result of the COVID-19 pandemic, our operations and business were affected in the following ways:

- As a result of Government-imposed lockdowns in India, operations at our manufacturing facilities were temporarily shut down to varying degrees with effect from March 23, 2020 and we resumed operations in accordance with permissions from the local authorities in a phased manner with 50% of the workforce resuming on May 1, 2020 and 100% opening on June 1, 2020. During the second wave of the COVID-19 pandemic in India in April 2021 until June 2021, restrictions on operations at our manufacturing facilities were imposed again, though with less stringent restrictions, with the imposition of a night curfew with effect from April 12, 2021, leading to a complete lockdown from May 3, 2021, with partial operations with 75% of the workforce resuming on May 17, 2021 and 100% opening on June 1, 2021.

- We faced challenges in sourcing key raw materials during the pandemic as a result of temporary or permanent closures of our suppliers' facilities. Several suppliers also sought to rely on *force majeure* provisions in our agreements with them, making it difficult for us to engage with alternative suppliers in that period. As our customers were also impacted by the lockdowns and restrictions, we did not incur any losses on account of termination of our supply contracts. These disruptions impacted the demand for our products and services, affecting our revenue from operations during the first quarter of Fiscal 2021 and Fiscal 2022.

Similar pandemics and resultant government actions that may occur in the future may similarly affect our business, results of operations and financial condition, including as a result of: (i) complete or partial closure of our operations due to lockdowns; (ii) disruptions or restrictions on our ability to conduct our business or manufacturing operations, pursue partnerships and other business opportunities; (iii) delays of shipments and delivery of our products; (iv) inability to source key raw materials as a result of the temporary or permanent closure of our suppliers' facilities; (v) difficulty in finding alternate suppliers, if the need arises; (vi) non-availability of labour, which could result in a slowdown in our operations; (vii) inability to access debt and equity capital on acceptable terms, or at all; and (viii) potential non-compliance with financial covenants in credit facilities and other financing agreements which could result in events of default and the acceleration of indebtedness. The occurrence of any of these events could hamper our ability to ensure business continuity.

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

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

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

This Draft Red Herring Prospectus includes information derived from a third-party industry report dated January 2023, titled "*Assessment of Advanced Braking Systems, Aluminium Lightweighting Precision Solutions and Safety Control Cable Segments*" prepared by CRISIL pursuant to an engagement with our Company. All such information in this Draft Red Herring Prospectus indicates the CRISIL Report as its source. Our Company commissioned and paid for the CRISIL Report exclusively for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer. We officially engaged CRISIL in connection with the preparation of the CRISIL Report pursuant to an engagement letter dated November 25, 2022. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing.

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

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. See "***Industry Overview***" on page 127. For the disclaimers associated with the CRISIL Report, see "***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation –Industry and Market Data***" on page 16.

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

Information relating to our operational capacities and the historical capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management, including past production mix, installed capacity information and standard capacity calculation practices, that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Fiscal/period. These details have been certificated by way of certificates from Ramanjeet Singh, independent chartered engineer. Actual utilization rates may differ from the estimated operational capacities or historical estimated capacity utilization information of our facilities. For details, see "***Our Business – Manufacturing – Manufacturing Capacity and Capacity Utilisation at our 15 facilities***" on page 197.

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

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of manufacturing companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other manufacturing companies. For further details, see "***Management's Discussion And Analysis Of Financial Condition And Results Of Operations – Non-GAAP Measures***" on page 349.

External Risk Factors

57. The cyclical and seasonal nature of businesses, in particular, the automobile industry, can adversely affect our business.

Our automotive business is directly related to our customers' vehicle sales and production levels across various markets. Automotive sales and production are cyclical and depend on general economic conditions and other factors, including consumer spending and preferences as well as changes in interest rate levels, consumer confidence and fuel costs. As we have high fixed production costs, even relatively modest declines in our customers' production levels and thus, our production volumes, can have a significant adverse impact on our profitability. In addition, lower global automotive sales during the global financial crisis resulted in substantially all automotive manufacturers lowering vehicle production schedules.

Our sales are also affected by inventory levels and production levels of automotive manufacturers. We cannot predict when manufacturers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. In the past, we have experienced sales declines during the manufacturers' scheduled shutdowns or shutdowns resulting from unforeseen events.

The automotive industry is subject to seasonality throughout the year, as there is generally an uptick during festive periods and a downturn during periods of low economic activity such as monsoon or during plant shutdowns. (*Source: CRISIL Report*). Any sudden request from our customers to increase their order volumes, could cause lead time problems resulting in a loss of revenue for our customers if we are unable to meet their demands. As a result, our relationship with our customers may be impacted, affecting our sales adversely, resulting in a loss of revenue and reduced margins.

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

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

Lastly, changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, which may adversely affect our business, results of operations, financial condition and prospects. For instance, the Government of India has announced the union budget for Fiscal 2023, pursuant to which the Finance Bill, 2022, has introduced various amendments. The Finance Bill has received assent from the President of India on March 30, 2021, and has been enacted as the Finance Act, 2022. We have not fully determined the impact of these recent and proposed laws and regulations on our business. As such, there is no certainty on the impact that the Finance Act, 2022 may have on our business and operations or on the industry in which we operate.

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

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

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries, affecting economic stability in India which may have an adverse effect on our business.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past, recording an increase in the consumer price index of 5.9% year on year in November 2022 (*Source: CRISIL Report*). Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. For instance, fuel and power prices (including prices of kerosene, crude petroleum and natural gas) rose by 17.4% in November 2022 on the wholesale price index (*Source: CRISIL Report*). High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. While the Government of India has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect. There can be no assurance that inflation in India will not worsen.

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

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

62. *Changes in trade policies may affect us.*

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

Risks related to the Offer and the Equity Shares

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

Our Company did not declare any dividend for Fiscal 2023 and Fiscal 2022. Our Company has declared and paid a dividend at the rate of 20% on the Equity Shares during Fiscal 2021. Our Board of Directors has approved and adopted a dividend policy in their meeting held on March 16, 2023. Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013, as amended.

For further information, see "***Dividend Policy***" on page 268, the amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, restrictive covenants of our financing arrangements, applicable Indian legal restrictions and other factors. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders consistent with our past practices, or at all. We may decide to retain all of our future earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. As a result, we may not declare dividends in the foreseeable future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

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

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

65. *Our Company has undertaken two buybacks of Equity Shares during the preceding three years at a price that may be below the Offer Price.*

Our Company has, in the preceding three years prior to the date of this Draft Red Herring Prospectus, undertaken two buy-backs of Equity Shares. During Fiscal ended March 31, 2022, our Company completed a buyback of 2,550,000 fully paid-up equity shares of face value of ₹2 each at a price of ₹235 per Equity Share, on a proportionate basis. The buyback was completed in September, 2021, which resulted in a total cash outflow of ₹599.25 million (excluding tax on buy back). Thereafter, during Fiscal ended March 31, 2023, our Company completed a buyback of 3,750,000 fully paid-up equity shares of face value of ₹2 each at a price of ₹240 per Equity Share, on a proportionate basis. The buyback was completed in September 2022, which resulted in a total cash outflow of ₹900.00 million (excluding tax on buy back).

The prices at which such Equity Shares were bought back are not indicative of the Offer Price, or the price at which the Equity Shares will be traded going forward. For further details, see "***Capital Structure — Notes to Capital Structure — Equity share capital history of our Company***" on page 88.

66. The average cost of acquisition of Equity Shares by the Selling Shareholders including our Promoters could be lower than the floor price of the IPO Price Band.

The Selling Shareholder's (including our Promoter) average cost of acquisition of Equity Shares in our Company may be lower than the floor price of the IPO Price Band as may be decided by the Company acting through the IPO Committee, in consultation with the BRLMs. For further details regarding average cost of acquisition of Equity Shares by our Promoter and the Selling Shareholders in our Company and built-up of Equity Shares by our Promoter in our Company, please refer to "***Capital Structure***" on page 88.

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

The Offer Price of the Equity Shares will be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "***Basis for Offer Price***" on page 106 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of equity shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and business partners;
- future sales of the Equity Shares by our Company or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting Fiscal, industrial or environmental regulations;
- results of operations that vary from the expectations of securities analysts and investors;
- fluctuations in stock market prices and volume;
- the public's reaction to our press releases and adverse media reports; and
- general economic and stock market conditions.

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

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

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

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

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

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

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

70. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long term capital gains tax in India at the specified rates depending on certain factors, such as whether STT is paid, the quantum of gains and any available treaty exemptions. Furthermore, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India.

Furthermore, if non-resident shareholders of entities holding the Equity Shares exit by way of sale or redemption of the shares held by them, such non-resident shareholders could be taxed on capital gains in India if the offshore shares derive substantial value from Indian assets, subject to certain exemptions.

Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument ("**MLI**"), if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends. Furthermore, provisions of the MLI have effect on India's tax treaties, including tax rates specified therein, from Fiscal 2021 onwards where the other country has also ratified the MLI and notified the relevant tax treaty as a Covered Tax Agreement.

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

Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

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

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

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

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

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

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

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

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

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

Under the exchange control regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the exceptions specified by the RBI, then the approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the Indian income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

Furthermore, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the GoI, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all.

For further information, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 432.

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

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

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

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

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States of America or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an

Indian court will award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded are excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

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

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

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer	
The Offer consists of:	
Offer for Sale[(1)(2)]	Up to 29,571,390 Equity Shares aggregating up to ₹ [●] million
Of which:	
A. QIB Portion[(3)(5)]	Not more than [●] Equity Shares aggregating up to ₹ [●] million
Of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B. Non-Institutional Category[(3)(4)]	Not less than [●] Equity Shares aggregating up to ₹ [●] million
Of which:	
One-third of the Non-Institutional Category available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000	[●] Equity Shares
Two-third of the Non-Institutional Category available for allocation to Bidders with an application size of more than ₹ 1,000,000	[●] Equity Shares
C. Retail Portion[(3)]	Not less than [●] Equity Shares aggregating up to ₹ [●] million
Pre-Offer and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	197,142,600 Equity Shares
Equity Shares outstanding after the Offer	197,142,600 Equity Shares
Use of proceeds of the Offer	Our Company will not receive any portion of the proceeds from the Offer. For further information, see "***Objects of the Offer***" beginning on page 103.

(1) The Offer has been authorized by a resolution of our Board pursuant to its meeting held on June 9, 2023. Further, our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholders pursuant to its resolution dated June 9, 2023.

*(2) The Equity Shares being offered by the Promoter Selling Shareholders have been held for a period of at least one year immediately preceding the date of this Draft Red Herring Prospectus and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. For further information, see "**Capital Structure**" beginning on page 88. The Promoter Selling Shareholders, severally and not jointly, have confirmed and authorized their respective participation in the Offer for Sale, as stated below:*

S. No.	*Name of the Promoter Selling Shareholder*	*Maximum number of Offered Shares*	*Aggregate proceeds from the Offered Shares*	*Date of consent letter*
1.	*Kuldip Singh Rathee*	*Up to 20,699,973 Equity Shares*	*Up to ₹ [●] million*	*June 5, 2023*
2.	*Vijay Rathee*	*Up to 8,871,417 Equity Shares*	*Up to ₹ [●] million*	*June 5, 2023*
	Total	***Up to 29,571,390 Equity Shares***	***Up to ₹ [●] million***	

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

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

*(5) Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors in the Offer. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further information, see "**Offer Procedure**" beginning on page 413.*

Allocation to all categories of Bidders shall be made in accordance with SEBI ICDR Regulations. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than the minimum Non-Institutional application size, subject to availability of Equity Shares in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII to the SEBI ICDR Regulations. For further information, see "***Terms of the Offer***", "***Offer Structure***" and "***Offer Procedure***" beginning on pages 404, 410 and 413, respectively.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Consolidated Financial Information. The summary financial information presented below should be read in conjunction with "***Restated Consolidated Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 269 and 341, respectively.

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ASK Automotive Limited (formerly known as ASK Automotive Private Limited)
Restated Consolidated Statement of Assets and Liabilities
CIN: U34300DL1988PLC030342
(All amounts are in INR Million, except otherwise stated)

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4,564.93	4,630.18	4,080.99
Capital work-in-progress	1,182.45	28.50	98.29
Right-of-use assets	842.84	884.80	77.78
Goodwill	1,819.10	1,819.10	1,819.10
Other intangible assets	31.28	41.85	56.07
Financial assets			
(i) Investments	40.41	-	33.95
(ii) Loans	79.99	87.70	106.65
(iii) Other financial assets	100.13	87.28	84.64
Non-current tax assets (net)	6.63	49.51	46.98
Other non-current assets	139.53	42.13	59.83
Total non-current assets	**8,807.29**	**7,671.05**	**6,464.28**
Current assets			
Inventories	1,535.76	1,243.69	1,126.81
Financial assets			
(i) Loans	26.66	-	-
(ii) Trade receivables	2,104.46	2,011.61	1,585.83
(iii) Cash and cash equivalents	22.27	13.02	185.27
(iv) Bank balances other than (iii) above	1.50	2.64	1.43
(v) Other financial assets	56.23	11.99	5.56
Current tax assets (net)	0.21	-	-
Other current assets	257.70	91.03	70.95
Total current assets	**4,004.79**	**3,373.98**	**2,975.85**
Assets held for sale	-	10.60	42.40
Total assets	**12,812.08**	**11,055.63**	**9,482.53**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	394.29	401.79	406.89
Other equity	6,043.42	5,917.29	5,815.36
Total equity	**6,437.71**	**6,319.08**	**6,222.25**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2,088.47	1,023.49	426.70
(ii) Lease liabilities	26.52	87.31	32.48
Provisions	256.51	240.34	242.96
Deferred tax liabilities (net)	279.61	297.14	306.05
Total non-current liabilities	**2,651.11**	**1,648.28**	**1,008.19**
Current liabilities			
Financial liabilities			
(i) Borrowings	1,091.64	574.44	372.24
(ii) Lease Liabilities	72.18	68.23	10.27
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	431.96	317.49	164.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,266.57	1,470.93	1,328.80
(iv) Other financial liabilities	387.64	212.26	94.26
Provisions	72.22	55.43	37.48
Current tax liabilities (net)	28.13	26.89	10.62
Other current liabilities	372.92	362.60	233.52
Total current liabilities	**3,723.26**	**3,088.27**	**2,252.09**
Total liabilities	**6,374.37**	**4,736.55**	**3,260.28**
Total equity and liabilities	**12,812.08**	**11,055.63**	**9,482.53**

Restated Consolidated Statement of Profit and Loss
CIN: U34300DL1988PLC030342
(All amounts are in INR Million, except otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	25,551.67	20,130.83	15,439.92
Other income	111.12	111.77	237.75
Total income	**25,662.79**	**20,242.60**	**15,677.67**
Expenses			
Cost of material consumed	17,985.79	14,038.07	10,154.42
Changes in inventories of finished goods and work-in-progress	(167.96)	(103.54)	(172.58)
Employee benefits expense	1,393.65	1,227.02	1,022.55
Finance costs	111.90	80.82	108.51
Depreciation and amortisation expense	607.05	559.10	518.93
Other expenses	4,023.05	3,282.26	2,608.80
Dies for own use	(47.19)	(23.79)	(36.64)
Total expenses	**23,906.29**	**19,059.94**	**14,203.99**
Profit before share of net profits/(losses) of joint venture accounted for using equity method and taxes	**1,756.50**	**1,182.66**	**1,473.68**
Share of net losses of joint venture accounted for using equity method (net of taxes)	(58.92)	(52.75)	(44.07)
Profit before tax	**1,697.58**	**1,129.91**	**1,429.61**
Tax expenses			
Current Tax			
- Current year	485.10	316.82	381.20
- Prior year	0.66	(1.40)	(2.03)
Deferred tax	(17.71)	(12.10)	(11.57)
Total tax expenses	**468.05**	**303.32**	**367.60**
Profit after tax for the year	**1,229.53**	**826.59**	**1,062.01**
Other comprehensive income:			
(i) Items that will not be reclassified to profit or loss in subsequent years:			
Remeasurement of post employment benefit obligations	0.72	12.66	(5.95)
(ii) Income tax relating to items that will not be reclassified to profit or loss in subsequent years	(0.18)	(3.19)	1.50
Share of Other comprehensive income/(loss) of joint venture accounted for using equity method (net of taxes)	(0.67)	(0.15)	0.08
Other comprehensive (loss)/income for the year, net of tax	**(0.13)**	**9.32**	**(4.37)**
Total comprehensive income for the year	**1,229.40**	**835.91**	**1,057.64**
Earnings per equity share (INR)			
Basic and Diluted	**6.18**	**4.09**	**5.22**

ASK Automotive Limited (formerly known as ASK Automotive Private Limited)
Restated Consolidated Statement of Cash Flows
CIN: U34300DL1988PLC030342
(All amounts are in INR Million, except otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities			
Profit before tax	**1,697.58**	**1,129.91**	**1,429.61**
Adjustment to reconcile profit before tax to net cash flows:			
Share of net losses of joint venture	58.92	52.75	44.07
Depreciation and amortisation expense	607.05	559.10	518.93
Excess liability/provision written back	(13.84)	(39.31)	(8.16)
Provision for doubtful debts	1.21	-	4.67
Profit on sale of Investments	-	-	(151.78)
Net unrealised (profit)/ loss on foreign currency transaction	(1.63)	(6.48)	(0.58)
Government grant	(28.43)	(24.74)	(29.41)
Loss/(Gain) on sale/discarding of property, plant & equipment	2.80	(0.25)	3.71
Gain on assets held for sale	(0.60)	-	-
Amount written off	2.07	-	-
Interest/ Dividend income classified as investing cash flow	(20.40)	(16.24)	(22.00)
Finance cost	110.79	79.42	105.82
Gain on lease modifications	(1.72)	(0.03)	-
Operating profit before working capital changes	**2,413.80**	**1,734.13**	**1,894.88**
Movements in working capital :			
Changes in trade receivables	(92.45)	(419.36)	(693.01)
Changes in inventories	(292.07)	(116.89)	(196.43)
Changes in trade payables	(89.88)	294.79	515.59
Changes in financial assets	(35.80)	(16.88)	108.00
Changes in other assets	(168.20)	(22.82)	7.30
Changes in other financial liabilities	26.42	131.19	(54.81)
Changes in provisions	33.69	27.99	35.71
Changes in other liabilities	34.07	131.70	(2.42)
Cash generated from operations	**1,829.58**	**1,743.85**	**1,614.81**
Direct taxes paid (net of refunds)	(443.78)	(301.68)	(335.26)
Net cash flow from operating activities (A)	**1,385.80**	**1,442.17**	**1,279.55**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work in progress)	(1,541.16)	(857.58)	(475.04)
Proceeds from sale of property, plant and equipment	42.31	8.70	13.53
Proceeds from assets held for sale	10.60	31.80	133.60
(Purchase) /Sale of non current investments (net)	(120.05)	-	245.64
Redemption of fixed deposits/(net)	(20.66)	1.03	0.10
Dividend received	-	-	4.14
Interest received	20.34	16.42	17.83
Net cash used in investing activities (B)	**(1,608.62)**	**(799.63)**	**(60.20)**
C. Cash flow from financing activities			
Movement of short term borrowings (net)	461.72	141.40	(41.30)
Proceeds from long term borrowings	1,355.34	821.00	200.00
Repayment of long term borrowings (including current maturities)	(234.99)	(163.50)	(1,027.56)
Principal payment of finance lease liability (refer note 44)	(88.63)	(794.33)	(61.87)
Interest payment of finance lease liability (refer note 44)	(8.66)	(12.96)	(6.01)
Dividend paid	-	-	(20.34)
Bonus share issue expenses paid	-	-	(0.41)
Expenses paid towards increase in authorised share capital	-	(0.23)	(2.93)
Interest paid	(143.04)	(67.32)	(107.22)
Payment for buyback of equity shares	(900.00)	(599.25)	-
Payment of tax on buyback of equity shares	(209.67)	(139.60)	-
Net cash flow from/ (used in) financing activities (C)	**232.07**	**(814.79)**	**(1,067.64)**
Net Increase/Decrease in cash and cash equivalents (A+B+C)	**9.25**	**(172.25)**	**151.71**
Cash and cash equivalents at beginning of the financial year	13.02	185.27	33.56
Cash and cash equivalents at end of the financial year (refer note 11)	**22.27**	**13.02**	**185.27**

Reconciliation of cash and cash equivalents as per the restated Statement of Cash Flows :	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Cash and cash equivalents as per above comprises of the following :			
- Cash on hand	0.58	0.65	0.57
- Balance in current accounts	21.69	12.37	184.70
Balances as per restated consolidated statement of cash flows	**22.27**	**13.02**	**185.27**

GENERAL INFORMATION

Our Company was incorporated on January 18, 1988 as a private limited company under the Companies Act, 1956, with the name "ASK Automotive Private Limited", pursuant to a certificate of incorporation granted by the RoC. Upon the conversion of our Company into a public limited company, pursuant to resolutions passed by our Board of Directors on December 7, 2022 and our Shareholders on December 7, 2022 the name of our Company was changed to "ASK Automotive Limited" and a fresh certificate of incorporation dated January 6, 2023 was issued by the RoC. For further details, see "***History and Certain Corporate Matters***" beginning on page 231.

Registration Number: 030342

Corporate Identity Number: U34300DL1988PLC030342

Registered Office

Flat No. 104, 929/1
Naiwala, Faiz Road
Karol Bagh, New Delhi 110 005
Delhi, India

Corporate Office

Plot No. 13, 14, Sector 5
IMT Manesar, Gurugram 122 050
Haryana, India

Address of the Registrar of Companies

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

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

Board of Directors

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

Name and Designation	DIN	Address
Kuldip Singh Rathee *Chairman and Managing Director*	00041032	Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110 030, Delhi, India
Vijay Rathee *Non-Executive Director*	00042731	Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110 030, Delhi, India
Prashant Rathee *Whole-Time Director*	00041081	Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110 030, Delhi, India
Aman Rathee *Whole-Time Director*	00041130	Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110 030, Delhi, India
Rajesh Kataria *Whole-Time Director*	08528643	Flat No. 3B, First Floor, SS Almeria, Sector 84, Naharpur Kasan (111), Gurugram 122 004, Haryana, India
Arun Duggal *Independent Director*	00024262	CM-821B, The Camellias, DLF Golf Links, Gurugram 122 009, Haryana, India
Kumaresh Chandra Misra *Independent Director*	00388546	D-78, 2nd Floor, Panchsheel Enclave, South Delhi, Malviya Nagar, New Delhi 110017, Delhi, India
Deepti Sehgal *Independent Director*	09772630	A-14/2, Vasant Vihar, South West Delhi, New Delhi 110 057, Delhi, India
Yogesh Kapur *Independent Director*	00070038	D 1063, New Friends Colony, South Delhi, New Delhi 110 025, Delhi, India
Vinay Kumar Piparsania *Independent Director*	07721040	PV29, The Palm Springs, Golf Course Road, Sector 54, Gurugram 122 002, Haryana, India

For brief profiles and further details in respect of our Directors, see "***Our Management – Brief profiles of our Directors***" on page 244.

Company Secretary and Compliance Officer

Rajani Sharma is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

Rajani Sharma
Plot No. 13, 14, Sector 5
IMT Manesar, Gurugram 122 050
Haryana, India
Tel: +91 124 439 6907
E-mail: compliance@askbrake.com

Investor Grievances

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

All Offer-related grievances, other than that of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for 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(ies) where the Bid was submitted. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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

The Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned above. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030/3262
E-mail: askauto.ipo@jmfl.com
Website: www.jmfl.com
Investor Grievance ID: grievance.ibd@jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration Number: INM000010361

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

ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel.:** +91 22 6807 7100 **E-mail:** askauto.ipo@icicisecurities.com **Website:** www.icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com **Contact person**: Ashik Joisar/Harsh Thakkar **SEBI Registration:** INM000011179	**IIFL Securities Limited** 10th Floor, IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013 Maharashtra, India **Tel:** +91 22 4646 4728 **E-mail:** askauto.ipo@iiflcap.com **Website:** www.iiflcap.com **Investor Grievance E-mail:** ig.ib@iiflcap.com **Contact Person:** Pawan Jain/Pinkesh Soni **SEBI Registration Number:** INM000010940

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

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

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy, due diligence of the Company including its operations/management, 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.	All BRLMs	JM Financial
2.	Drafting and approval of all statutory advertisement	All BRLMs	JM Financial
3.	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	All BRLMs	Axis
4.	Appointment of intermediaries - Registrar to the Offer and advertising agency, including coordination of all agreements to be entered into with such intermediaries	All BRLMs	ISec
5.	Appointment of intermediaries – Banker(s) to the Offer, monitoring agency, Sponsor Banks, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	All BRLMs	ISec
6.	Preparation of frequently asked questions	All BRLMs	IIFL Securities
7.	Preparation of road show presentation	All BRLMs	Axis
8.	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 road show and investor meeting schedule	All BRLMs	Axis
9.	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	All BRLMs	JM Financial
10.	Retail marketing of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; • Finalising centres for holding conferences for brokers, etc.; • Formulating strategies for marketing to Non-Institutional Investors Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and Finalising collection centres	All BRLMs	ISec
11.	Non-institutional marketing of the Offer, which will cover, *inter alia*, • Formulating strategies for marketing to Non-Institutional Investors; • Finalising media, marketing and public relations strategy; Finalising centres for holding conferences for brokers, etc	All BRLMs	IIFL Securities
12.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor	All BRLMs	Axis

S. No.	Activity	Responsibility	Co-ordinator
	coordination, anchor CAN and intimation of anchor allocation		
13.	Managing the book and finalization of pricing in consultation with the Company	All BRLMs	JM Financial
14.	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 initial and final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	All BRLMs	IIFL Securities

Syndicate Members

[●]

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020
Delhi, India
Tel: +91 11 4159 0700

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli West
Mumbai 400 083
Maharashtra, India
Tel: +91 810 811 4949
E-mail: askauto.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance E-mail: askauto.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No: INR000004058

Bankers to the Offer

Escrow Collection Bank

[●]

Public Offer Account Bank

[●]

Refund Bank

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

HDFC Bank Limited
Block-A, 2nd Floor, Vatika Atrium
Sector-53, Gurugram 122002
Haryana, India
Tel: + 91 124 4664392
E-mail: siddhi.sidhmukh@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Siddhi Sidhmukh

Kotak Mahindra Bank Limited
IBIS Commercial Block, Asset Area 9
Hospitality District, Aerocity
New Delhi 110037
Delhi, India
Tel: + 91 11 41276274/ + 91 11 41276001
E-mail: Nikunj.soni@kotak.com, sesonorth1@kotak.com
Website: www.kotak.com
Contact Person: Nikunj Soni

Axis Bank Limited
Plot no. 25, Pusa Road
Near Karol Bagh Metro Station
New Delhi 110005
Delhi, India
Tel: + 91 11 47396600
E-mail: neetu.vishwakarma@axisbank.com
Website: www.axisbank.com
Contact Person: Neetu Vishwakarma

Designated Intermediaries

Self-Certified Syndicate Banks

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

SCSBs and mobile applications enabled for UPI Mechanism

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

Syndicate SCSB Branches

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

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

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

Collecting Depository Participants

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

Statutory Auditors of our Company

Walker Chandiok & Co LLP, Chartered Accountants
21st floor, DLF Square, Jacaranda Marg
DLF Phase II, Gurugram 122002
Haryana, India
Tel: + 91 12446 28000
E-mail: Ashish.Gera@WalkerChandiok.IN
Firm Registration Number: 001076N/N500013
Peer Review Number: 014158

Change in statutory auditors

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

Credit Rating

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

Appraising Entity

As the Offer is an offer for sale of Equity Shares by the Promoter Selling Shareholders, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity has been appointed for the Offer.

IPO Grading

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

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Monitoring Agency

As the Offer is through an Offer for Sale of Equity Shares, our Company is not required to appoint a monitoring agency for this Offer.

Experts

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

Our Company has received a written consent dated June 12, 2023 from Walker Chandiok & Co LLP, Chartered Accountants to include their names as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated May 16, 2023 on our Restated Consolidated Financial Information; and (ii) their reports each dated June 12, 2023 on the Statement of Possible Special Direct Tax Benefits and Statement of Possible Special Indirect Tax Benefits (as disclosed in "***Statement of Special Tax Benefits***" on page 116), in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated June 12, 2023 from B.B. & Associates, Chartered Accountants, independent chartered accountants to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in relation to certifications and confirmations provided by them on certain financial and operational information included in this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

The independent chartered engineer, namely Ramanjeet Singh (membership number: 012362) have pursuant to their certificate dated June 12, 2023 given consent to our Company to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in their capacity as an independent chartered engineer, in relation to the ICE certificate certifying, *inter alia*, details of the installed capacity and capacity utilization at the facilities of our Company and Joint Venture, AFFPL, during the relevant periods, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Filing

A copy of this Draft Red Herring Prospectus is being filed electronically on the SEBI's online intermediary portal at siportal.sebi.gov.in as specified in Regulation 25(8) of SEBI ICDR Regulations and circular (SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by SEBI. The Draft Red Herring Prospectus will also be filed with the Securities and Exchange Board of India at:

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

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

Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid lot will be decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, and advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company and the Promoter Selling Shareholders pursuant to the Book Building Process, in consultation with the BRLMs, after the Bid/Offer Closing Date. For further details, see "***Offer Procedure***" beginning on page 413.

All investors, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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

For further details on method and process of Bidding, see "***Offer Structure***" and "***Offer Procedure***" beginning on pages 410 and 413, respectively.

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

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

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

For an explanation of the price discovery process and allocation, see "***Terms of the Offer***" and "***Offer Procedure***" beginning on pages 404 and 413, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and further details, see "***Terms of the Offer***" and "***Offer Procedure***" on pages 404 and 413, respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Promoter Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

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

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

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

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

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

CAPITAL STRUCTURE

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

(in ₹, except share data)

S. No.	Particulars	Aggregate nominal value	Aggregate value at Offer Price*
A)	**AUTHORIZED SHARE CAPITAL(1)**		
	225,000,000 Equity Shares of face value of ₹ 2 each	450,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	197,142,600 Equity Shares of face value of ₹ 2 each	394,285,200	-
C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer for Sale of 29,571,390 Equity Shares aggregating to ₹ [●] million(2)(3)	59,142,780	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	197,142,600 Equity Shares of face value of ₹ 2 each	394,285,200	-
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		9,405,000
	After the Offer		9,405,000

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

(1) *For details in relation to changes in the authorized share capital of our Company during the 10 years immediately preceding the date of this Draft Red Herring Prospectus, see "**History and Certain Corporate Matters – Amendments to the Memorandum of Association**" on page 232.*

(2) *The Offer has been authorized by our Board pursuant to its resolution dated June 9, 2023.Further, our Board has taken on record the approval for the Offer for Sale by the Promoter Selling Shareholders pursuant to its resolution dated June 9, 2023. See "**Other Regulatory and Statutory Disclosures – Authority for the Offer – Approvals from the Promoter Selling Shareholders**" on page 389.*

(3) *Each of the Promoter Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered for sale in the Offer. For details of the authorization of each of the Promoter Selling Shareholders in relation to their respective Offered Shares, see "**Other Regulatory and Statutory Disclosures – Authority for the Offer – Approvals from the Promoter Selling Shareholders**" on page 389.*

Notes to Capital Structure

1. Equity share capital history of our Company

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

Date of allotment/buy-back	Name(s) of allottee(s)/ shareholders from whom equity shares were bought back and details of equity shares allotted/bought-back	Reason/nature of allotment/buy-back	No. of equity shares allotted	Face value per equity share (₹)	Issue/Buyback price per equity share (₹)	Nature of consideration
January 18, 1988	One equity share each was allotted to Kuldip Singh Rathee, Ajay Kumar Gupta and Sushil Kumar Singhal	Initial subscription to Memorandum of Association	3	100	100	Cash
August 16, 1988	1,500 equity shares were allotted to Kuldip Singh Rathee, 1,100 equity shares were allotted to Ajay Kumar	Further issue*	3,100	100	100	Cash

Date of allotment/buy-back	Name(s) of allottee(s)/ shareholders from whom equity shares were bought back and details of equity shares allotted/bought-back	Reason/nature of allotment/buy-back	No. of equity shares allotted	Face value per equity share (₹)	Issue/Buyback price per equity share (₹)	Nature of consideration
	Gupta and 500 equity shares were allotted to Sushil Kumar Singhal					
November 26, 1988	400 equity shares were allotted to Sushil Kumar Singhal	Further issue	400	100	100	Cash
January 2, 1989	50 equity shares were allotted to Kuldip Singh Rathee, 450 equity shares were allotted to Ajay Kumar Gupta and 650 equity shares were allotted to Sushil Kumar Singhal	Further issue*	1,150	100	100	Cash
July 20, 1992	1,000 equity shares each were allotted to Kuldip Singh Rathee, and O.P. Choudhary, 500 equity shares each were allotted to Poonam Singhal, Sushil Kumar Singhal, Arti Gupta and Aditya Gupta	Further issue	4,000	100	100	Cash
March 31, 1996	4,000 equity shares were allotted to Kuldip Singh Rathee and 1,000 equity shares were allotted to Vijay Rathee	Further issue	5,000	100	100	Cash
March 31, 1998	6,000 equity shares were allotted to Kuldip Singh Rathee	Further issue	6,000	100	100	Cash
March 10, 2000	5,250 equity shares were allotted to Kuldip Singh Rathee and 12,000 equity	Further issue	17,250	100	100	Cash

Date of allotment/buy-back	Name(s) of allottee(s)/ shareholders from whom equity shares were bought back and details of equity shares allotted/bought-back	Reason/nature of allotment/buy-back	No. of equity shares allotted	Face value per equity share (₹)	Issue/Buyback price per equity share (₹)	Nature of consideration
	shares were allotted to Vijay Rathee					
March 20, 2003	450 equity shares were allotted to Ved Prakash Chandan	Further issue	450	100	1,000	Cash
February 11, 2004	2,200 equity shares were allotted to Chandan Chaudhary and 300 equity shares were allotted to Chitra Sharma	Further issue	2,500	100	1,000	Cash
March 28, 2005	250 equity shares were allotted to Jagdish Chander Goel	Further issue	250	100	2,000	Cash
April 26, 2005	250 equity shares were allotted to Rajiv Chopra	Further issue	250	100	2,000	Cash
May 23, 2005	2,000 equity shares were allotted to Shiv Puri	Further issue	2,000	100	3,000	Cash
Pursuant to resolutions passed by our Board and the Shareholders dated February 2, 2018 and February 16, 2018, respectively, the authorized share capital of our Company was sub-divided from 1,200,000 equity shares of face value of ₹ 100 each to 60,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 42,353 equity shares of face value of ₹ 100 per equity share to 2,117,650 Equity Shares of face value of ₹ 2 per equity share.						
March 28, 2018	20,902,000 Equity Shares were allotted to Kuldip Singh Rathee, 15,161,000 Equity Shares were allotted to Vijay Rathee, 660,000 Equity Shares were allotted to Prashant Rathee and 5,630,000 Equity Shares were allotted to Aman Rathee	Bonus issue in the ratio of 20 Equity Shares for every one Equity Share held	42,353,000	2	-	NA
July 24, 2019	6,354,000 Equity Shares were allotted to Prashant Rathee	Pursuant to composite scheme of arrangement/amalgamation and demerger under	6,390,000	2	-	Other than cash

Date of allotment/buy-back	Name(s) of allottee(s)/ shareholders from whom equity shares were bought back and details of equity shares allotted/bought-back	Reason/nature of allotment/buy-back	No. of equity shares allotted	Face value per equity share (₹)	Issue/Buyback price per equity share (₹)	Nature of consideration
	and 36,000 Equity Shares were allotted to Aman Rathee	sections 230 to 232 of the Companies Act, 2013 between our Company, A.A. Autotech Private Limited and Vijaylaxmi Infra Projects Private Limited. For more details, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets, etc., in the last 10 years – Composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company.***" on page 235				
March 30, 2021	65,841,300 Equity Shares were allotted to Kuldip Singh Rathee, 47,757,150 Equity Shares were allotted to Vijay Rathee, 21,141,000 Equity Shares were allotted to Prashant Rathee and 17,842,500 Equity Shares were allotted to Aman Rathee	Bonus issue in the ratio of three Equity Shares for every one Equity Share held	152,581,950	2	-	NA
September 6, 2021	2,550,000 Equity Shares were bought-back from Kuldip Singh Rathee	Buy-back	(2,550,000)	2	235	Cash
September 28, 2022	3,750,000 Equity Shares were bought-back from Kuldip Singh Rathee	Buy-back	(3,750,000)	2	240	Cash

*[*] Our Company has been unable to trace form 2 for return of allotment for such allotments. For further details, see "**Risk Factors – Legal and regulatory risks – We are unable to trace some of our historical records including forms filed with the Registrar of Companies, Delhi and Haryana**" on page 53.*

2. Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

3. **Equity shares issued out of revaluation reserves or by way of bonus issue**

Our Company has not issued any equity shares out of revaluation of reserves since incorporation. Except as disclosed below, our Company has not issued any equity shares by way of bonus issue since its incorporation:

Date of allotment	Name(s) of allottee(s)	Reason/Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration
March 28, 2018	20,902,000 Equity Shares were allotted to Kuldip Singh Rathee, 15,161,000 Equity Shares were allotted to Vijay Rathee, 660,000 Equity Shares were allotted to Prashant Rathee and 5,630,000 Equity Shares were allotted to Aman Rathee	Bonus issue in the ratio of 20 Equity Shares for every one Equity Share held	42,353,000	2	-	NA
March 30, 2021	65,841,300 Equity Shares were allotted to Kuldip Singh Rathee, 47,757,150 Equity Shares were allotted to Vijay Rathee, 21,141,000 Equity Shares were allotted to Prashant Rathee and 17,842,500 Equity Shares were allotted to Aman Rathee	Bonus issue in the ratio of three Equity Shares for every one Equity Share held	152,581,950	2	-	NA

4. **Equity shares issued for consideration other than cash or pursuant to a scheme of arrangement approved under Section 391 to 394 of the Companies Act 1956 or Sections 230 to 234 of the Companies Act, 2013**

Except as disclosed below, our Company has not issued any equity shares for consideration other than cash or pursuant to any scheme of arrangement approved under sections 391 to 394 of the Companies Act, 1956 or sections 230 to 234 of the Companies Act, 2013, as applicable:

Date of allotment	Name(s) of allottee(s)	Reason/Nature of allotment	No. of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Benefits accrued to our Company
July 24, 2019	6,354,000 Equity Shares were allotted to Prashant Rathee and 36,000 Equity Shares were allotted to Aman Rathee	Pursuant to composite scheme of arrangement/amalgamation and demerger under sections 230 to 232 of the Companies Act, 2013 between our Company, A.A. Autotech Private Limited and Vijaylaxmi Infra Projects Private Limited	6,390,000	2	-	Issued by our Company as consideration for the amalgamation of A.A. Autotech Private Limited's business into our Company, in the ratio of 20 Equity Shares for every one equity share of ₹ 10 each of A.A. Autotech Private Limited held by Prashant Rathee and Aman Rathee, the shareholders of A.A. Autotech Private Limited.

For more details, see "***History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets, etc., in the last 10 years – Composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company.***" on page 235.

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

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

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

Our Company has not issued any Equity Shares during the one year immediately preceding the date of this Draft Red Herring Prospectus.

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

As on the date of this Draft Red Herring Prospectus, our Promoters, Kuldip Singh Rathee and Vijay Rathee hold 145,164,600 Equity Shares, constituting 73.63% of the issued, subscribed and paid-up equity share capital of our Company. As on the date of this Draft Red Herring Prospectus, our Promoter, along with the members of our Promoter Group holds 197,142,600 Equity Shares, equivalent to 100% of the issued, subscribed and paid-up equity share capital of our Company. All the Equity Shares held by our Promoters are in dematerialised form.

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

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

S. No.	Name	Pre-Offer		Post-Offer(1)	
		No. of Equity Shares	Percentage of total Shareholding (%)	No. of Equity Shares	Percentage of total Shareholding (%)
Promoters*					
1.	Kuldip Singh Rathee	81,488,400	41.33	[●]	[●]
2.	Vijay Rathee	63,676,200	32.30	[●]	[●]

S. No.	Name	Pre-Offer		Post-Offer(1)	
		No. of Equity Shares	Percentage of total Shareholding (%)	No. of Equity Shares	Percentage of total Shareholding (%)
Total (A)		**145,164,600**	**73.63**	[●]	[●]
Members of our Promoter Group					
3.	Prashant Rathee	28,187,999	14.30	[●]	[●]
4.	Aman Rathee	23,789,998	12.07	[●]	[●]
5.	Sarla Chahal	1	Negligible	[●]	[●]
6.	Kanika Rathee	1	Negligible	[●]	[●]
7.	Vijeta Rathee	1	Negligible	[●]	[●]
Total (B)		**51,978,000**	**26.37**	[●]	[●]
Total (A+B)		**197,142,600**	**100.00**	[●]	[●]

(1) Subject to finalization of Basis of Allotment.
**Also the Promoter Selling Shareholders.*

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

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

Date of allotment/transfer/buy-back	Number of equity shares allotted/transferred/bought back	Face value per equity share (₹)	Issue/acquisition/transfer/buy-back price per equity share (₹)	Nature of transaction	Nature of consideration	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
Kuldip Singh Rathee							
January 18, 1988	1	100	100	Initial subscription to Memorandum of Association	Cash	Negligible	Negligible
August 16, 1988	1,500	100	100	Further issue*	Cash	0.04	0.04
January 2, 1989	50	100	100	Further issue*	Cash	Negligible	Negligible
February 26, 1990	(20)	100	100	Transfer of 10 equity shares each to O.P. Chaudhary and Prashant Rathee**	Cash	Negligible	Negligible
March 31, 1992	(30)	100	100	Transfer of 10 equity shares each to Aman Rathee, Rita Satija and Vijay Rathee**	Cash	Negligible	Negligible
	(370)	100	100	Transfer to O.P. Chaudhary**	Cash	(0.01)	(0.01)
July 20, 1992	1,000	100	100	Further issue	Cash	0.03	0.03
November 12, 1992	20	100	100	Transfer of 10 equity shares each from Arti Jain and Neelam Bansal**	Cash	Negligible	Negligible
November 14, 1992	520	100	100	Transfer from Poonam Singhal**	Cash	0.01	0.01
	10	100	100	Transfer from Rajat Singhal**	Cash	Negligible	Negligible
	1,611	100	100	Transfer from Sushil Kumar Singhal**	Cash	0.04	0.04
November 12, 1995	1,000	100	100	Transfer from Aditya Gupta**	Cash	0.03	0.03
	1,120	100	100	Transfer from Ajay Kumar Gupta**	Cash	0.03	0.03

Date of allotment/transfer/buy-back	Number of equity shares allotted/transferred/bought back	Face value per equity share (₹)	Issue/acquisition /transfer/buy-back price per equity share (₹)	Nature of transaction	Nature of consideration	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
	660	100	100	Transfer from Arti Gupta**	Cash	0.02	0.02
March 31, 1996	4,000	100	100	Further issue	Cash	0.10	0.10
May 4, 1996	(1000)	100	100	Transfer to Vijay Rathee**	Cash	(0.03)	(0.03)
March 31, 1998	6,000	100	100	Further issue	Cash	0.15	0.15
June 7, 1998	(3,000)	100	100	Transfer to Vijay Rathee**	Cash	(0.08)	(0.08)
March 10, 2000	5,250	100	100	Further issue	Cash	0.13	0.13
July 1, 2000	2,750	100	100	Transfer from Vijay Rathee**	Cash	0.07	0.07
September 20, 2003	(170)	100	100	Transfer of 10 equity shares each to Ajay Gupta, Chand Kaur, Dinesh Jain, Jagdish Chandra, Jagdish Daral, JRD Financial Services Private Limited, Kailash Chopra, Prem Chopra, Rajiv Chopra, Rina Chopra, Rishi Daral, Sushil Kumar Saini, Sushil Kumar Gosain, S.P. Gupta, Suman Jain, Vineeta Trading Private Limited and Yashika Jain**	Cash	Negligible	Negligible
May 6, 2004	(20)	100	100	Transfer to Jagdish Daral**	Cash	Negligible	Negligible
May 16, 2005	20	100	100	Transfer of 10 equity shares each from Chand Kaur and S.P. Gupta**	Cash	Negligible	Negligible
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated February 2, 2018 and February 16, 2018, respectively, the authorized share capital of our Company was sub-divided from 1,200,000 equity shares of face value of ₹ 100 each to 60,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 42,353 equity shares of face value of ₹ 100 per equity share to 2,117,650 Equity Shares of face value of ₹ 2 per equity share.							
March 28, 2018	20,902,000	2	-	Bonus issue in the ratio of 20 Equity Shares for every one Equity Share held	NA	10.60	10.60
March 30, 2021	65,841,300	2	-	Bonus issue in the ratio of three Equity Shares for every one Equity Share held	NA	33.40	33.40
September 6, 2021	(2,550,000)	2	235	Buy-back of 2,550,000 Equity Shares	Cash	(1.29)	(1.29)
September 28, 2022	(3,750,000)	2	240	Buy-back of 3,750,000 Equity Shares	Cash	(1.90)	(1.90)

Date of allotment/transfer/buy-back	Number of equity shares allotted/transferred/bought back	Face value per equity share (₹)	Issue/acquisition /transfer/buy-back price per equity share (₹)	Nature of transaction	Nature of consideration	% of the pre-Offer equity share capital	% of the post-Offer equity share capital
Total (A)	**81,488,400**					**41.33**	**41.33**
Vijay Rathee							
March 31, 1992	10	100	100	Transfer from Kuldip Singh Rathee **	Cash	Negligible	Negligible
November 12, 1995	380	100	100	Transfer from H.P. Gupta **	Cash	0.01	0.01
	501	100	100	Transfer from Ajay Kumar Gupta **	Cash	0.01	0.01
	20	100	100	Transfer from Arti Gupta **	Cash	Negligible	Negligible
March 31, 1996	1,000	100	100	Further issue	Cash	0.03	0.03
May 4, 1996	1,000	100	100	Transfer from Kuldip Singh Rathee **	Cash	0.03	0.03
June 7, 1998	3,000	100	100	Transfer from Kuldip Singh Rathee **	Cash	0.08	0.08
March 10, 2000	12,000	100	100	Further issue	Cash	0.30	0.30
July 1, 2000	(2,750)	100	100	Transfer to Kuldip Singh Rathee **	Cash	(0.07)	(0.07)
Pursuant to resolutions passed by our Board and the Shareholders in their meetings dated February 2, 2018 and February 16, 2018, respectively, the authorized share capital of our Company was sub-divided from 1,200,000 equity shares of face value of ₹ 100 each to 60,000,000 Equity Shares of face value of ₹ 2 each. Accordingly, the issued, subscribed and paid-up equity share capital of our Company was sub-divided from 42,353 equity shares of face value of ₹ 100 per equity share to 2,117,650 Equity Shares of face value of ₹ 2 per equity share.							
March 28, 2018	15,161,000	2	-	Bonus issue in the ratio of 20 Equity Shares for every one Equity Share held	NA	7.69	7.69
March 30, 2021	47,757,150	2	-	Bonus issue in the ratio of three Equity Shares for every one Equity Share held	NA	24.22	24.22
Total (B)	**63,676,200**					**32.30**	**32.30**
Total (A+B)	**145,164,600**					**73.63**	**73.63**

* *Our Company has been unable to trace form 2 for return of allotment for such allotments. For further details, see "**Risk Factors – Legal and regulatory risks – We are unable to trace some of our historical records including forms filed with the Registrar of Companies, Delhi and Haryana**" on page 53.*

** *Our Company has been unable to trace the share transfer forms in relation to such transfer. For further details, see "**Risk Factors – Legal and regulatory risks – We are unable to trace some of our historical records including forms filed with the Registrar of Companies, Delhi and Haryana**" on page 53.*

8. **Details of Lock-in**

(a) Details of Promoters' contribution locked-in for 18 months

Pursuant to Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company as held by our Promoters, shall be considered as minimum promoters' contribution and locked-in for a period of 18 months from the date of Allotment or any other period as may be prescribed under applicable law. As on the date of this Draft Red Herring Prospectus, our Promoters hold 145,164,600 Equity Shares, constituting 73.63% of our Company's issued, subscribed and paid-up equity share capital, all of which are eligible for Promoters' contribution.

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

Name of Promoter	Date of allotment/ acquisition	Nature of the allotment/ transaction	Face value Per equity share (₹)	Issue price/ acquisition price per Equity Share (₹)	No. of Equity Shares Locked-in[(1)]	Percentage of the pre-Offer paid-up capital on a fully diluted basis (%)	Percentage of the post Offer paid-up capital on a fully diluted basis (%)	Date up to which the Equity Shares are subject to lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total					**[●]**	**[●]**	**[●]**	**[●]**

Note: To be updated at the Prospectus stage and subject to finalization of basis of allotment.
(1) All the equity shares were fully paid-up on the respective dates of allotment of such equity shares. All Equity Shares will be subject to lock-in until the date falling 18 months from the date of Allotment in the Offer.

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

For details on the build-up of the equity share capital held by our Promoters, see "– ***History of the share capital held by our Promoters and the members of our Promoter Group in our Company – Build-up of our Promoters' shareholding in our Company***" on page 94.

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. In this connection, we confirm the following:

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

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

(iii) our Company has not been formed by conversion of one or more partnership firms or a limited liability partnership firm; and

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

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

(b) Details of Equity Shares locked-in for six months

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer, except: (a) the Promoters' contribution which shall be locked in as above; and (b) Offered Shares, which are successfully sold and transferred as part of the Offer for Sale.

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

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

(d) Other Requirements in respect of Lock-in

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 18 months from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, NBFC-SIs or housing finance companies as collateral security for loans granted by such entities. 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 six months from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, NBFC-SIs or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans. However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock in period has expired in terms of the SEBI ICDR Regulations.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, (a) the Equity Shares held by our Promoters, which are locked-in may be transferred to and among the members of our Promoter Group or to any new promoters of our Company, and (b) the Equity Shares held by persons other than our Promoters, and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

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

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

10. **Our shareholding pattern**

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

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of Equity Shares underlying Depository Receipts (VI)	Total No. Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)		No. of Equity Shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+ (X) as a % of (A+B+C2)	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights (X)	Total as a % of total voting rights			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
								Total								
(A)	**Promoter & Promoter Group**	7	197,142,600	-	-	197,142,600	100.00	197,142,600	100.00	-	-	-	-	-	-	197,142,600
(B)	**Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	**Non Promoter - Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(1)	**Shares underlying Custodian/Depository Receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	**Shares held by Employee Trust**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**7**	**197,142,600**	**-**	**-**	**197,142,600**	**100**	**197,142,600**	**100**	**-**	**-**	**-**	**-**	**-**	**-**	**197,142,600**

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

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

S. No.	Name of the Director/Key Managerial Personnel/ Senior Management	Number of Equity Shares	Percentage of pre-Offer equity share capital (in %)
1.	Kuldip Singh Rathee	81,488,400	41.33
2.	Vijay Rathee	63,676,200	32.30
3.	Prashant Rathee	28,187,999	14.30
4.	Aman Rathee	23,789,998	12.07
	Total	**197,142,597**	**100.00***

* *Does not include shareholding of Sarla Chahal, Kanika Rathee and Vijeta Rathee, of one Equity Share each, which in aggregate constitute a negligible percentage of our shareholding.*

12. **Details of shareholding of the major Shareholders of our Company**

(a) As on the date of this Draft Red Herring Prospectus, our Company has seven holders of Equity Shares.

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

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of equity share capital (%)
1.	Kuldip Singh Rathee	81,488,400	41.33
2.	Vijay Rathee	63,676,200	32.30
3.	Prashant Rathee	28,187,999	14.30
4.	Aman Rathee	23,789,998	12.07
	Total	**197,142,597**	**100.00***

* *Does not include shareholding of Sarla Chahal, Kanika Rathee and Vijeta Rathee, of one Equity Share each, which in aggregate constitute a negligible percentage of our shareholding.*

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

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of equity share capital (%)
1.	Kuldip Singh Rathee	81,488,400	41.33
2.	Vijay Rathee	63,676,200	32.30
3.	Prashant Rathee	28,187,999	14.30
4.	Aman Rathee	23,789,998	12.07
	Total	**197,142,597**	**100.00***

* *Does not include shareholding of Sarla Chahal, Kanika Rathee and Vijeta Rathee, of one Equity Share each, which in aggregate constitute a negligible percentage of our shareholding.*

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

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of equity share capital (%)
1.	Kuldip Singh Rathee	85,238,400	42.43
2.	Vijay Rathee	63,676,200	31.70
3.	Prashant Rathee	28,188,000	14.03
4.	Aman Rathee	23,790,000	11.84
	Total	**200,892,600**	**100.00**

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

S. No.	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of equity share capital (%)
1.	Kuldip Singh Rathee	87,788,400	43.15
2.	Vijay Rathee	63,676,200	31.30
3.	Prashant Rathee	28,188,000	13.86
4.	Aman Rathee	23,790,000	11.69
	Total	**203,442,600**	**100.00**

13. **Employee stock option scheme**

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

14. None of our Promoters, members of our Promoter Group, our Directors or any of their relatives have sold or purchased any Equity Shares of our Company during the six months immediately preceding the date of this Draft Red Herring Prospectus.

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

16. Our Company, our Directors and the BRLMs have not entered into any buy-back or other arrangements for purchase of Equity Shares being offered through this Offer from any person.

17. No person connected with the Offer, including our Company, the Promoter Selling Shareholders, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

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

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

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

21. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

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

23. The BRLMs and any associates of the BRLMs (except for Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs which are sponsored by entities that are associates of the BRLMs or FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or pension funds sponsored by

entities which are associate of the BRLMs) shall not apply in the Offer under the Anchor Investor Portion. Further, no person related to our Promoters or members of our Promoter Group shall apply in the Offer under the Anchor Investor Portion.

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

OBJECTS OF THE OFFER

The objects of the Offer are to (i) carry out the Offer for Sale of up to 29,571,390 Equity Shares by the Promoter Selling Shareholders aggregating up to ₹ [●] million; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. For further details, see "***The Offer***" beginning on page 73.

Our Company expects that listing of the Equity Shares will enhance our visibility and brand and provide liquidity to its existing Shareholders. Listing will also provide a public market for the Equity Shares in India.

Utilization of the Offer Proceeds

Our Company will not receive any proceeds from the Offer (the "**Offer Proceeds**") and the Offer Proceeds will be received by the Promoter Selling Shareholders, in proportion to the Offered Shares sold by the respective Promoter Selling Shareholders as part of the Offer after deducting their portion of the Offer related expenses and the relevant taxes thereon. For details of Offered Shares by each Promoter Selling Shareholder, see "***The Offer***" and "***Other Regulatory and Statutory Disclosures***" beginning on pages 73 and 389.

Offer-related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million.

Other than (i) the listing fees which shall be solely borne by the Company; and (ii) fees for counsel to the Promoter Selling Shareholders, if any, which shall be solely borne by the respective Promoter Selling Shareholders, all costs, fees and expenses (including all applicable taxes except securities transaction tax which shall be solely borne by the respective Selling Shareholder) with respect to the Offer shall be shared by the Promoter Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares offered and sold by each of the Promoter Selling Shareholders through the Offer for Sale. Further, the expenses related to the Offer shall be deducted from the Offer proceeds and only the balance amount shall be paid to the Promoter Selling Shareholders in proportion to the Offered Shares sold by the respective Promoter Selling Shareholders. However, expenses relating to the Offer may be paid by the Company on behalf of the Selling Shareholders in the first instance and the Selling Shareholders agree that upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the Offer, paid by the Company on behalf of such Selling Shareholder, in proportion of their respective portion of the Offered Shares, directly from the Public Offer Account.

The estimated Offer expenses are as follows:

(₹ in million)

S. No	Activity	Estimated amount(1)	As a % of total estimated Offer expenses(1)	As a % of Offer size(1)
1.	BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
2.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
3.	Selling commission/processing fee for SCSBs and Bankers to the Offer and fee payable to the Sponsor Bank for Bids made by RIIs using UPI(2)(3)(4)	[●]	[●]	[●]
4.	Brokerage and selling commission and bidding charges for the Members of the Syndicate, Registered Brokers, RTAs and CDPs (5)(6)(7)(8)	[●]	[●]	[●]
5.	Advertising and marketing expenses	[●]	[●]	[●]
6.	Other expenses (i) Listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees, (ii) Other regulatory expenses, (iii) Printing and stationery expenses (iv) Fees payable to the legal counsel (v) Fees payable to other advisors to the Offer, including but not limited to Statutory Auditors, independent chartered accountant, industry expert, and independent chartered engineer (vi) Miscellaneous	[●]	[●]	[●]

S. No	Activity	Estimated amount(1)	As a % of total estimated Offer expenses(1)	As a % of Offer size(1)
Total estimated Offer Expenses		[●]	[●]	[●]

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

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:

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

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

(3) No uploading/processing fees shall be payable by our Company and the Promoter Selling Shareholders to the SCSBs on the Bid cum Application Forms directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Investors	*₹ [●] per valid application (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹ [●] per valid application (plus applicable taxes)*

(4) The Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows:

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

**For each valid application*

(5) Selling commission on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:

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

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

(6) The selling commission payable to the Syndicate / sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / sub-Syndicate Member.

(7) Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIIs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

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

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIIs and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Investors**	*₹ [●] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid application (plus applicable taxes)*

**Based on valid applications*

(8) The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Monitoring of Utilization of funds

As the Offer is by way of an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no monitoring agency is required to be appointed for the Offer.

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 Promoter Selling Shareholders, none of our Promoters, Directors, Key Managerial Personnel, Senior Management, members of our Promoter Group or Group Companies will receive any portion of the Offer

Proceeds, and there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoters, Directors, Key Managerial Personnel, Senior Management or members of our Promoter Group or Group Companies.

BASIS FOR OFFER PRICE

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

Investors should also refer to the sections "***Risk Factors***", "***Our Business***", "***Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 29, 181, 269 and 341 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:

- Well established manufacturer of safety systems and critical engineering solutions for some of India's largest OEMs in an industry with high entry barriers;
- Robust production model driven by research and development ("**R&D**") and design with an emphasis on: (i) advanced material knowledge to customize systems and products based on customer specifications and (ii) engineering lighter precision products;
- Technology and innovation-driven manufacturing process, with an extensive suite of systems and solutions for EV and ICE sectors;
- Long-standing customer relationships with both Indian and global OEM players;
- Financial and return metrics demonstrating growth and efficient use of capital; and
- Professional management and board.

For further details, please see "***Our Business – Our Strengths***" on page 183.

Quantitative factors

Some of the information presented in this section relating to our Company is based on and derived from the Restated Consolidated Financial Information. For details, see "***Restated Consolidated Financial Information***" beginning on page 269.

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

1. Basic and Diluted Earnings Per Equity Share ("EPS") of face value of ₹ 2 each:

Financial Year/Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year ended March 31, 2023[(1)]	6.18	6.18	3
Financial Year ended March 31, 2022[(2)]	4.09	4.09	2
Financial Year ended March 31, 2021[(3)]	5.22	5.22	1
Weighted Average	**5.32**	**5.32**	

(1) During the year ended March 31, 2023, pursuant to the approval of our Board, our Company completed a buy-back of 3,750,000 fully paid-up Equity Shares at a price of ₹ 240 per Equity Share. The buy-back was completed in September 2022.

(2) During the year ended March 31, 2022, pursuant to the approval of our Board, our Company completed a buy-back of 2,550,000 fully paid-up Equity Shares at a price of ₹ 235 per Equity Share. The buy-back was completed in September 2021.

(3) During the year ended March 31, 2021, with the approval of our Board, our Company completed a bonus issue of 152,581,950 fully paid-up Equity Shares, i.e., in the ratio of three Equity Shares for every one Equity Share, to our existing Shareholders on a proportionate basis using our retained earnings.

Notes:

1. *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.*
2. *Basic and diluted EPS are as per the Restated Consolidated Financial Information.*
3. *Basic and diluted EPS calculations are in accordance with the relevant Ind AS. Basic earnings per share is calculated by dividing the net restated consolidated profit for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net restated consolidated profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.*

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

Particulars	P/E ratio at the lower end of the Price Band (number of times)*	P/E ratio at the higher end of the Price Band (number of times)*
Based on Basic EPS for the financial year ended March 31, 2023	[●]	[●]
Based on Diluted EPS for the financial year ended March 31, 2023	[●]	[●]

**Will be populated in the Prospectus*

3. Industry Peer Group P/E Ratio

Particulars	P/E ratio
Highest	70.68
Lowest	34.92
Industry Composite	51.43

Notes:

(1) The industry peer group high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

(2) The industry P/E ratio mentioned above has been computed based on the closing market price of the peer group's equity shares on BSE as on June 6, 2023, divided by the diluted EPS for the year ended March 31, 2023.

4. Return on Net Worth ("RoNW")

Financial Year/Period	RoNW (%)	Weight
Financial Year ended March 31, 2023	19.10%	3
Financial Year ended March 31, 2022	13.08%	2
Financial Year ended March 31, 2021	17.07%	1
Weighted Average	**16.75%**	**-**

Notes:

(1) Return on Net Worth (%) is calculated as restated consolidated profit after tax attributable to the equity shareholders of the Company divided by total equity as at respective year end. Total equity = equity share capital + other equity.

(2) Profit after tax, equity share capital and other equity numbers are as per the Restated Consolidated Financial Information.

(3) Weighted Average RoNW= Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/total of weights.

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

Fiscal/ Period Ended	NAV derived from the Restated Consolidated Financial Information (₹)
As on March 31, 2023	32.66
After the completion of the Offer* - At the Floor Price: [●] - At the Cap Price: [●]	
Offer Price*	[●]

**Will be populated in the Prospectus. Offer Price will be determined on conclusion of the Book Building Process.*

Notes:

(1) Net asset value per equity share is calculated as net worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year. Net worth represents aggregate value of equity share capital and other equity and are based on Restated Consolidated Financial Information.

6. Enterprise Value("EV")/ EBITDA Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	EV/ EBITDA Ratio at the lower end of the Price Band (number of times)*	EV/ EBITDA Ratio at the higher end of the Price Band (number of times)*
Based on EBITDA for the year ended March 31, 2023	[●]	[●]

**Will be populated in the Prospectus*

Industry Enterprise Value ("EV")/EBITDA Ratio

Particulars	EV/ EBITDA Ratio
Highest	25.73
Lowest	16.93
Industry Composite	21.30

Notes:

(1) *The industry peer group high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average of EV/EBITDA ratio of the industry peer set disclosed in this section.*
(2) *The industry EV/EBITDA ratio is computed as the market capitalization of the peer group on BSE as on June 6, 2023, plus the total debt of the respective peer group as on March 31, 2023, divided by the EBITDA for Fiscal 2023.*

7. Comparison of Key Accounting Ratios with Listed Industry Peers

Name of the company	Face value per equity share (₹)	P/ E	EV/ EBITDA Ratio	Revenue from operations (in ₹ million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	Total Equity (in ₹ million)	RoNW (%)	Net Asset Value per Equity Share (₹)
ASK Automotive Limited*	2	[●]#	[●]#	25,551.67	6.18	6.18	6,437.71	19.10%	32.66
Listed peers**									
Endurance Technologies Limited	10	51.04	19.74	88,040.46	29.07	29.07	44,121.29	10.87%	313.67
Uno Minda Limited	2	49.06	25.73	1,12,364.90	11.42	11.37	41,558.60	15.73%	72.53
Suprajit Engineering Limited	1	34.92	16.93	27,523.55	10.99	10.98	12,244.80	12.42%	88.48
Bharat Forge Limited	2	70.68	22.78	1,29,102.59	11.35	11.35	67,055.26	7.88%	144.02

**Our financial information has been derived from the Restated Consolidated Financial Information as at or for the financial year ended March 31, 2023.*
#To be included in respect of our Company in the Prospectus based on the Offer Price.
***Source for listed peers information included above:*

(i) *All the financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the year ended March 31, 2023 available on the website of the stock exchanges.*
(ii) *P/E Ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE as on June 6, 2023 divided by the diluted EPS for the year ended March 31, 2023.*
(iii) *EV / EBITDA Ratio is computed as the market capitalization of the listed industry peer on BSE as on June 6, 2023 plus the total debt of the respective company as on March 31, 2023, divided by the EBITDA for Fiscal 2023.*
(iv) *Return on Net Worth (%) is calculated as profit after tax attributable to the equity Shareholders of our Company divided by total equity as at respective year end. Total equity = equity share capital + other equity.*
(v) *Net asset value per equity share =Net worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year. Net worth represents aggregate value of equity share capital and other equity and are based on Restated Consolidated Financial Information.*

(Intentionally left blank)

8. Key Performance Indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyze our business performance, which in result, help us in analyzing the growth of business verticals in comparison to our peers. Our Company considers that the KPIs set forth below are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated June 12, 2023. Further, the members of our Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by B.B. & Associates, by their certificate dated June 12, 2023.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "***Our Business***", and "***Management's Discussion and Analysis of Financial Position and Results of Operations***" on pages 181 and 341, respectively.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of Directors of our Company) until one year after the date of listing of the Equity Shares on the Stock Exchanges or for such other duration as may be required under the SEBI ICDR Regulations.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below. We have also described and defined the KPIs, as applicable, in "***Definitions and Abbreviations***" beginning on page 1.

Metric	Explanation for the KPI
Revenue from Operations	Revenue from operations refers to the total turnover of our business from sale of our products and services and also represents the scale of our business. It also provides information regarding our overall financial performance.
Revenue Growth (%)	Revenue Growth (%) represents year-on-year growth of revenue generated by us from our business operations.
EBITDA	EBITDA provides information regarding the operational efficiency of our business. It facilitates evaluation of year-on-year operating performance of our business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability of our business and assists in tracking the margin profile of our business, our historical operational performance, and provides financial benchmarking against peers.
Profit after tax for the year ("PAT")	PAT represents the profit / loss that we make for the financial year or during a given period. It provides information regarding the overall profitability of our business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability of our business and provides the financial benchmarking against peers as well as to compare against the historical performance of our business.
Return on average equity (RoAE) (%)	Return on average equity (RoAE)(%) is an indicator of our efficiency as it measures our profitability. It represents how efficiently we generate profits from our shareholders funds.
Return on Average Capital Employed (RoACE) (%)	Return on Average Capital Employed represents how efficiently we generate profitability from the capital employed during the year.
Average Debt to EBITDA ratio	Average Debt to EBITDA ratio enables us to measure the ability and extent to which we can cover our debt in comparison to the EBITDA being generated by us. It highlights how many years it would take for a company to pay back its debt if debt and EBITDA are held constant.
Debt to Equity Ratio (Gearing Ratio)	Debt to Equity Ratio is a measure of the extent to which our Company can cover our debt and represents our debt position in comparison to our equity position. It helps evaluate our financial leverage.
Cash Flow to EBITDA Ratio	Cash Flow to EBITDA Ratio reflects the cash conversion ratio and assesses our efficiency to convert EBITDA into cash.
Asset Turnover Ratio	Asset Turnover Ratio measures the efficiency of our assets in generating revenue or sales.
Working Capital Days	Working capital days indicates our working capital requirements in relation to revenue generated from operations.

Details of our key performance indicators as at/for the Financial Years ended March 31 2023, March 31, 2022 and March 31, 2021

(₹ in million, unless mentioned otherwise)

Metric	As at and or for the Fiscal Year ended March 31, 2023	2022	2021
Revenue from Operations	25,551.67	20,130.83	15,439.92
Revenue Growth (%)	26.93%	30.38%	NA
EBITDA	2,475.45	1,822.58	2,101.12
EBITDA Margin (%)	9.65%	9.00%	13.40%
Profit after tax for the year ("PAT")	1,229.53	826.59	1,062.01
PAT Margin (%)	4.79%	4.08%	6.77%
Return on average equity (RoAE) (%)	19.27%	13.33%	17.00%
Return on Average Capital Employed (RoACE) (%)	22.06%	16.76%	21.98%
Average Debt to EBITDA ratio	0.97	0.66	0.38
Debt to Equity Ratio (Gearing Ratio)	0.49	0.25	0.13
Cash Flow to EBITDA Ratio	55.98%	79.13%	60.90%
Asset Turnover Ratio	2.14	1.96	1.63
Working Capital Days	27.74	26.60	28.82

*Note: The above details have been certified by B.B. & Associates, Chartered Accountants pursuant to their certificate dated June 12, 2023. The certificate dated June 12, 2023 issued by B.B. & Associates, Chartered Accountants, has been included in "**Material Contracts and Documents for Inspection – Material Documents**" on page 443.*
Notes:

1) *NA – Not available since past comparative period is not disclosed in this Draft Red Herring Prospectus.*
2) *The above financial information has been extracted or derived from the Restated Consolidated Financial Information.*
3) *The method of computation of the above KPIs is set out below:*

Metric	***Formula***
Revenue from Operations	*Revenue from operations means the revenue from operations as appearing in the Restated Consolidated Financial Information.*
Revenue Growth (%)	*Revenue Growth (%) is calculated as Revenue from operations for the current year minus Revenue from operations for the previous year as a % of Revenue from operations for the previous year.*
EBITDA	*EBITDA is calculated as profit before share of net profits/losses of joint venture, exceptional items and tax plus finance costs plus depreciation and amortisation expense.*
EBITDA Margin (%)	*EBITDA Margin (%) is the percentage of EBITDA divided by total income.*
Profit after tax for the year ("PAT")	*Profit after tax for the year as appearing in the Restated Consolidated Financial Information.*
PAT Margin (%)	*PAT Margin (%) is calculated as Profit after tax for the year as a % of Total Income.*
Return on average equity (RoAE) (%)	*RoAE is calculated as Total Comprehensive Income for the year divided by Average Equity for the year.* *Average Equity is calculated as average of the total equity at the beginning of the year and at the end of the year.* *Total Equity is calculated as equity share capital plus other equity.* *Note: For calculation of average equity employed for Fiscal 2021, average equity at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information.*
Return on Average Capital Employed (RoACE) (%)	*RoACE is calculated as Earnings before interest and taxes (EBIT) divided by Average Capital Employed.* *EBIT is calculated as EBITDA minus Depreciation.* *Average Capital Employed is calculated as average of the capital employed at the beginning of the year and at the end of the year.* *Capital Employed is computed as Total Equity (equity share capital plus other equity) plus total non-current liabilities except non-current lease liabilities.* *Note: For calculation of average capital employed for Fiscal 2021, capital employed at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information..*
Average Debt to EBITDA ratio	*Average Debt to EBITDA ratio is calculated as Average debt divided by EBITDA.* *Average Debt is calculated as average of the debt at the beginning of the year and at the end of the year. Debt refers to Total Borrowings (non-current and current).*

Metric	Formula
	Note: For calculation of average debt for Fiscal 2021, debt at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information.
Debt to Equity Ratio (Gearing Ratio)	*Debt to Equity Ratio (Gearing Ratio) calculated as Closing Debt (current and non current borrowings) divided by Total Equity.*
Cash Flow to EBITDA Ratio	*Cash Flow to EBITDA Ratio is calculated as net cash flow from operating activities divided by EBITDA.*
Asset Turnover Ratio	*Asset Turnover Ratio is calculated by dividing Revenue from operations for the year by the average total assets.* *Average total assets is calculated as average of total assets at the beginning of the year and at the end of the year.* *Note: For calculation of average total assets for Fiscal 2021, total assets at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information.*
Working Capital Days	*Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days* *a. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days.* *b. Trade receivable days is calculated as Trade receivables divided by revenue from operations multiplied by 365 days.* *c. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days.*

Description on the historic use of the key performance indicators by us to analyze, track or monitor our operational and/or financial performance

In evaluating our business, we consider and use certain KPIs, as stated above, as a supplemental measure to review and assess our financial performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS. Investors are encouraged to review the Ind AS financial measures and to not rely on any single financial or operational metric to evaluate our business.

Comparison of our key performance indicators with our listed industry peers

The following table provides a comparison of our KPIs with those of our peer group. The peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses in terms of our size and our business model:

(₹ in million, unless mentioned otherwise)

Particulars	As at and for the Fiscal Year ended March 31, 2023				
	ASK Automotive Limited	**Endurance Technologies Limited**	**Uno Minda Limited**	**Suprajit Engineering Limited**	**Bharat Forge Limited**
Revenue from Operations	25,551.67	88,040.46	112,364.90	27,523.55	129,102.59
Revenue Growth (%)	26.93%	16.62%	35.17%	49.55%	23.41%
EBITDA	2,475.45	10,816.93	12,908.70	3,512.66	19,403.80
EBITDA Margin (%)	9.65%	12.22%	11.44%	12.59%	14.83%
Profit after tax for the year	1,229.53	4,795.75	7,002.30	1,521.09	5,083.87

Particulars	As at and for the Fiscal Year ended March 31, 2023				
	ASK Automotive Limited	**Endurance Technologies Limited**	**Uno Minda Limited**	**Suprajit Engineering Limited**	**Bharat Forge Limited**
("PAT")					
PAT Margin (%)	4.79%	5.42%	6.20%	5.45%	3.89%
Return on average equity (RoAE) (%)	19.27%	13.92%	18.99%	14.54%	6.56%
Return on Average Capital Employed (RoACE) (%)	22.06%	14.61%	17.91%	18.74%	12.75%
Average Debt to EBITDA ratio	0.97	0.41	0.80	1.36	3.22
Debt to Equity Ratio (Gearing Ratio)	0.49	0.11	0.28	0.52	1.02
Cash Flow to EBITDA Ratio	55.98%	79.69%	61.84%	68.06%	9.87%
Asset Turnover Ratio	2.14	1.39	1.48	1.32	0.76
Working Capital Days	27.74	23.09	43.99	86.35	114.85

Notes:

1) *The financial information pertaining to ASK Automotive Limited has been extracted or derived from the Restated Consolidated Financial Information.*
2) *The financial information pertaining to the industry peer group has been extracted or derived from its audited consolidated financial statements for the year ended March 31, 2023 as available on the website of the stock exchanges and the company.*
3) *For details and formulae of the method of computation of the above KPIs, see note 3 under "**- Details of our KPIs as at/ for the Financial Years ended March 31 2023, March 31, 2022 and March 31, 2021**" on page 110.*

The KPIs set out above are not standardised terms and accordingly a direct comparison of such KPIs between companies may not be possible. Other companies may calculate such KPIs differently from us.

Comparison of KPIs based on additions or dispositions to our business

Our Company has not undertaken a material acquisition or disposition of assets / business for the periods that are covered by the KPIs and accordingly, no comparison of KPIs over time based on additions or dispositions to the business, have been provided.

8. **Weighted average cost of acquisition, Floor Price and Cap Price**

I) ***Price per share of the Company based on primary issuances of Equity Shares or convertible securities (excluding issuance of Equity Shares under ESOP/ESOS or pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-transaction capital before such transactions) in a single transaction or multiple transactions combined together over a span of rolling 30 days***

There has been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

II) ***Price per share of the Company based on secondary sale or acquisition of Equity Shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or any other Shareholders with rights to nominate directors during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-transaction capital before such transactions), in a single transaction or multiple transactions combined together over a span of rolling 30 days.***

There have been no secondary sales/transfers or acquisitions of any Equity Shares or convertible securities (excluding gifts) where the Promoters, members of the Promoter Group, the Promoter Selling Shareholders or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction, during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-offer capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

III) ***Price of Equity Shares for last five primary or secondary transactions (where Promoters, members of the Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate Director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions***

Since there are no such transactions to report to under (I) and (II) above, therefore information based on last five primary or secondary transactions (secondary transactions where our Promoters / members of our Promoter Group or Selling Shareholders or Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is as below:

Date of allotment/ transaction	No. of equity shares	Face value per Equity Share (₹)	Issue/ Transaction price per equity share (₹)	Nature of allotment/ transaction	Nature of consideration	Total consideration (₹)
Primary issuances						
March 30, 2021	152,581,950	2	Nil	Bonus issue in the ratio of three Equity Shares for every one Equity Share held	N.A.	Nil
Weighted Average Cost of Acquisition (primary transactions)**						**Nil**
Secondary transactions**						
November 22, 2022	1	2	240.00	Transfer	Cash	240.00
November 22, 2022	1	2	240.00	Transfer	Cash	240.00
November 22, 2022	1	2	240.00	Transfer	Cash	240.00
Weighted Average Cost of Acquisition (secondary transactions)						**240.00**

*** Represents cost of acquisition of Equity Shares acquired through bonus issue, which are issued at nil consideration.*

**** The above excludes buy back of Equity Shares undertaken by our Company on a proportionate basis through the tender offer process. Pursuant to the same, our Company bought back from one of our Promoter Selling Shareholders, Kuldip Singh Rathee: (i) 2,550,000 equity shares at ₹ 235 per Equity Share on September 6, 2021 and (ii) 3,750,000 equity shares at ₹ 240 per Equity Share on September 28, 2022.*

Note: The above details have been certified by B.B. & Associates, Chartered Accountants by their certificate dated June 12, 2023.

(Intentionally left blank)

IV) ***Floor Price and Cap Price vis-à-vis Weighted average cost of acquisition based on primary issuances/secondary transactions during the last 18 months and three years***

	Weighted Average Cost of Acquisition per Equity Share (in ₹)	Floor price: ₹ [●]^	Cap Price: ₹ [●]^
I. Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Daft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A.***	[●]^	[●]^
II. Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities), where promoter/ promoter group entities or selling shareholders or shareholder(s) having the right to nominate director(s) or selling shareholder in the Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A.***	[●]^	[●]^
III. Since there are no such transactions to report to under (I) and (II) above, the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where our Promoters/members of our Promoter Group or Shareholder(s) having the right to nominate director(s) on the Board of our Company, are a party to the transaction, during the three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction, is as below:			

	Weighted Average Cost of Acquisition per Equity Share (in ₹)	Floor price: ₹ [●]^	Cap Price: ₹ [●]^
(a) WACA* of Equity Shares based on primary issuances undertaken during the three immediately preceding years	Nil	[●]	[●]
(b) WACA* of Equity Shares based on secondary transactions undertaken during the three immediately preceding years^^	240.00	[●]	[●]

Note: The above details have been certified by B.B. & Associates, Chartered Accountants pursuant to their certificate dated June 12, 2023.

^ *Details have been left intentionally blank as the Floor Price and Cap Price are not available as on date of this Draft Red Herring Prospectus. To be updated at the Prospectus stage.*
*** *As there are no transactions to be reported under parts (I) and (II) above, computation of weighted average price is not required here.*
^^ *The above excludes buy back of Equity Shares undertaken by our Company on a proportionate basis through the tender offer process. Pursuant to the same, our Company bought back from one of our Promoter Selling Shareholders, Kuldip Singh Rathee: (i) 2,550,000 equity shares at ₹ 235 per Equity Share on September 6, 2021 and (ii) 3,750,000 equity shares at ₹ 240 per Equity Share on September 28, 2022.*

9. **The Offer Price is [●] times of the face value of the Equity Shares**

The Offer Price of ₹ [●] has been determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

The trading price of the Equity Shares could decline due to the factors mentioned in the "***Risk Factors – Risks related to the Offer and the Equity Shares – The Equity Shares have never been publicly traded and after the Offer, the Equity Shares may experience price and volume fluctuations and an active trading market for the Equity Shares may not develop, which may mean you may be unable to resell your Equity Shares at or above the Offer Price, or at all***" on page 68 and you may lose all or part of your investments.

10. **Explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point 8 above) along with our Company's key performance indicators and financial ratios for Fiscals 2023, 2022 and 2021**

[●]*

**To be included on finalisation of Price Band*

11. **Explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point 8 above) in view of the external factors which may have influenced the pricing of the Offer**

[●]*

**To be included on finalisation of Price Band*

STATEMENT OF SPECIAL TAX BENEFITS

Independent Auditor's Certificate on Statement of Possible Special Direct Tax Benefits

To,
The Board of Directors,
ASK Automotive Limited
(formerly known as ASK Automotive Private Limited),
Flat No. 104, 929/1, Naiwala,
Faiz Road, Karol Bagh,
New Delhi – 110005

Statement of Possible Special Direct Tax Benefits available to the Company and its shareholders under the applicable direct tax laws in India with respect to proposed initial public offering for equity shares of face value of Rs. 2 each ("the Equity Shares") of ASK Automotive Limited *(formerly known as ASK Automotive Private Limited)*, (the "Company"/ "Issuer") through offer for sale of equity shares by certain existing shareholders (the "Offer")

1. This report is issued in accordance with the terms of our engagement letter dated 23 January 2023.

2. The accompanying Statement of Possible Special Direct Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "the Statement") under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2023 (hereinafter referred to as the "Income Tax Regulations"), for inclusion in the Draft Red Herring Prospectus ("DRHP") prepared in connection with the offer, has been prepared by the management of the Company in connection with the Offer, which we have initialed for identification purposes. Further, the Company has only one subsidiary, which is not material in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as on the date of signing of this report. Accordingly, possible special direct tax benefits have not been provided for such subsidiary.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the DRHP is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 9 June 2023 for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "SEBI ICDR Regulations") and the Companies Act `2013 ("Act"), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special direct tax benefits available as of 12 June 2023 to the Company and shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Offer.

7. Our work has been carried out in compliance with the relevant applicable requirements of the Standard on Quality Control ("SQC") 1, namely, Quality Control for Firms that performs Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements, issued by the ICAI.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive i.e., it does not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

   Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special direct tax benefits available as of 12 June 2023, to the Company and its shareholders, in accordance with the Income Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or

   (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, and the concerned stock exchanges.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Sujay Paul
Partner
Membership No.: 096314

UDIN: 23096314BGPWBF4887

Place: New Delhi
Date: 12 June 2023

Enclosure: Statement of possible special direct tax benefits available to *ASK Automotive Limited (formerly known as ASK Automotive Private Limited)* and its Shareholders

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO ASK AUTOMOTIVE LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders (within and outside India) under the Income-tax Act, 1961 and Income-tax rules 1962 ('Income Tax Regulations'). These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Income Tax Laws.

A. Special tax benefits available to the Company under the Income Tax Regulations

1. Lower corporate tax rate on income of domestic companies – Section 115BAA of the Income-tax Act, 1961 ('the IT Act')

   The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised through filing of Form 10IC on the Income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% is subject to the company not availing any of the following deductions under the provisions of the IT Act:

   - Section10AA: Tax holiday available to units in a Special Economic Zone.
   - Section 32(1)(iia): Additional depreciation;
   - Section 32AD: Investment allowance.
   - Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
   - Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
   - Section 35AD: Deduction for capital expenditure incurred on specified businesses.
   - Section 35CCC/35CCD: expenditure on agricultural extension /skill development
   - Chapter VI-A except for the provisions of section 80JJAA and section 80M.

   The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

   The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

   Note: *The Company has opted the lower rate under section 115BAA of the Act in the FY 2019-20 relevant to the AY 2020-21 as mentioned in the Section 115BAA for which declaration (Form 10IC) has already been filed with the tax authorities*.

2. Deductions in respect of employment of new employees – Section 80JJAA of the IT Act

   As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

   The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act.
   The company is presently not claiming deduction under section 80JJAA of the IT Act. However, this deduction could be claimed in the future subject to fulfillment of the conditions discussed above.

3. Deduction with respect to inter-corporate dividends – Section 80M of the IT Act

   As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2020, a domestic company shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it on or before the due date. In this case, due date means one month prior to the due date of furnishing return of income under sub section (1) of section 139 of the IT Act.

   The company has a wholly owned subsidiary *viz.* ASK Automobiles Private Limited and thus, the company should be eligible to claim deduction u/s 80M of the IT Act in respect of dividends received (if any) from its subsidiary and further distributed to its shareholders subject to fulfillment of other conditions.

4. Deductions in respect of specified expenditure

   In accordance with and subject to the fulfillment of conditions as laid out under section 35D of the IT Act, the company may be entitled to amortize preliminary expenditure, being specified expenditure incurred in connection with the issue for public subscription or such other expenditure as prescribed under section 35D of the IT Act, subject to the limit specified therein (viz maximum 5% of the cost of the project or 5% of the capital employed in the business of the company).

   The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

   With effect from 01 April 2024, the company shall be required to furnish a statement containing the particulars of expenditures specified u/s 35D of the Act to such income tax authority, which shall be prescribed in the due course by the CBDT.

B. Special tax benefits available to the shareholders of the Company under the Income Tax Regulations

1. Dividend Income

   Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in the case of domestic corporate shareholder, benefit of deduction under section 80M of the IT Act would be available on fulfilling the conditions.

   In case of the shareholders who are individuals, Hindu Undivided Family, Association of person, Body of Individuals whether incorporated or not and every artificial juridical person, the surcharge would be restricted to 15% irrespective of the amount of dividend.

2. Tax on Capital Gains

   As per section 112A of the IT Act, Long Term Capital Gains ('LTCG') arising from the transfer of equity shares on which Securities Transaction Tax ('STT') is paid at the time of acquisition and sale, shall be taxed at the rate of 10% (without indexation) (plus applicable surcharge and cess) of such capital gains. This is subject to fulfillment of prescribed additional conditions as per Notification No. 60/2018/F.No 370142/9/2017 dated 1 October 2018. It is worthwhile to note that tax u/s 112A of the IT Act shall only be levied where such aggregate capital gains exceed INR 1,00,000/- in a year.

   Further, the Finance Act 2022 restricts surcharge to 15% in respect of LTCG arising from any capital asset.

   As per section 111A of the IT Act, Short-Term Capital Gains ('STCG') arising from the transfer of equity shares on which STT has been paid at the time of sale shall be taxed at the rate of 15% (plus applicable surcharge and cess).

3. Special Provisions for Non-resident shareholders

   As per section 90(2) of the IT Act, non-resident shareholders will be entitled to be governed by the beneficial provisions under the respective Double Taxation Avoidance Agreement ('DTAA"), if any, applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

   Further, any income by way of capital gains accruing to non-residents, may be subject to withholding tax as per the provisions of the IT Act or under the relevant DTAA, whichever is beneficial. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders may be able to avail credit for any taxes paid by them in India, subject to local laws of the country in which such shareholder is resident.

Notes:

1. These special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Income tax regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the Company is in the process of getting shares of the company listed on a recognized stock exchange in India and the Company will be issuing shares.

4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The above Statement of Possible Special 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.

For and on behalf of
ASK Automotive Limited ***(formerly known as ASK Automotive Private Limited)***

Kuldip Singh Rathee
(Managing Director)

Place: Gurugram
Date: 12 June 2023

Independent Auditor's Certificate on Statement of Possible Special Indirect Tax Benefits

To
The Board of Directors,
ASK Automotive Limited
(formerly known as ASK Automotive Private Limited)
Flat No. 104, 929/1, Naiwala,
Faiz Road, Karol Bagh,
New Delhi – 110005.

Statement of Possible Special Indirect Tax Benefits available to the Company and its shareholders under the applicable indirect tax laws in India with respect to proposed initial public offering for equity shares of face value of Rs. 2 each ("the "Equity Shares") of *ASK Automotive Limited (formerly known as ASK Automotive Private Limited)*, (the "Company"/ "Issuer") through offer for sale of equity shares by certain existing shareholders (the "Offer")

1. This report is issued in accordance with the terms of our engagement letter dated 23 January 2023.

2. The accompanying Statement of Possible Special Indirect Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "the Statement"), under the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications and schemes), Goods and Services Tax (Compensation to States) Act, 2017 (read with Goods and Services Tax (Compensation to States) circulars, notifications and schemes), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications and schemes), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications and schemes), as amended by Finance Act 2023 (together referred to as "Indirect Tax Regulations has been prepared by the management of the Company in connection with the proposed offer, which we have initialed for identification purposes. Further, the Company has only one subsidiary, which is not material in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of signing of this report. Accordingly, possible special indirect tax benefits have not been provided for such subsidiary.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus ('DRHP') is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 09 June 2023. The Management's responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the **"ICAI"**). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the **"SEBI ICDR Regulations"**) and the Companies Act 2013 (**'Act'**), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special indirect tax benefits available as of 12 June 2023 to the Company and the shareholders of the Company, in accordance with Indirect Tax Regulations as at the date of our report.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements issued by the ICAI.

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Offer.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive and also do not cover any general tax benefits available to the Company.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

   Further, we give no assurance that the revenue authorities / courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special indirect tax benefits available as of 12 June 2023, to the Company and its shareholders, in accordance with the Indirect Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or

   (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

For Walker Chandiok & Co LLP
Chartered Accountants
(Firm Registration No. 001076N/N500013)

Sujay Paul
Partner
Membership No.: 096314

UDIN: 23096314BGPWBE6881

Place: New Delhi
Date: 12 June 2023

Enclosure: Statement of possible special indirect tax benefits available to *ASK Automotive Limited (formerly known as ASK Automotive Private Limited)* and its Shareholders

Statement of possible special indirect tax benefits available to *ASK Automotive Limited (formerly known as ASK Automotive Private Limited)* and its Shareholders

Special indirect tax benefits available to *ASK Automotive Limited (formerly known as ASK Automotive Private Limited)* under the Indirect Tax Regulations in India

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications and schemes), Goods and Services Tax (Compensation to States) Act, 2017 (read with Goods and Services Tax (Compensation to States) circulars, notifications and schemes), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications and schemes), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications and schemes), as amended by Finance Act 2023 (collectively referred as "Indirect Tax Regulations") read with Rules, Circulars, Notifications and Schemes.

Special tax benefits available to ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

1. **Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)**

   i. **Remission of duties and taxes on Exported Products (RoDTEP)**

   Remission of duties and taxes on Exported Products (RoDTEP) scheme has replaced Merchandise Export from India Scheme (MEIS). Under the scheme, rebate of duty and taxes which is not refunded under any other Scheme will be given in the form of duty credit/electronic scrip. The scheme was notified from 1 January 2022 with the intention to boost exports. The rate of duty of remission for the products under RoDTEP scheme has been notified by the Government of India and it ranges from 0.5 percent to 4 percent.

   ii. **Export Promotion Capital Goods (EPCG)**

   The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty. The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization. EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty In lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions

2. **Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)**

   Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated supplies.

   There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

Special benefits for shareholders of *ASK Automotive Limited (formerly known as ASK Automotive Private Limited)*

Shareholders of the Company are not eligible to special indirect tax benefits under the provisions of the the Central Goods and Services Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications).

Notes:

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. The Company or its shareholders will continue to obtain these benefits in future;
    ii. The conditions prescribed for availing the benefits have been/ would be met with; and
    iii. The revenue authorities / courts will concur with the view expressed herein.

5. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

For and on behalf of
ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

Kuldip Singh Rathee
(Managing Director)

Place: Gurugram
Date: 12 June 2023

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, the industry and market data contained in this Draft Red Herring Prospectus is derived from the CRISIL Report, which has been prepared exclusively for the purpose of understanding the industry in connection with the Offer and commissioned and paid for by our Company, pursuant to an engagement letter dated November 25, 2022. The CRISIL Report will be on the website of our Company at the following web-link: www.askbrake.com/Inspection-material-documents from the date of filing the Red Herring Prospectus until the Bid / Offer Closing Date. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant calendar year. See "****Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data****" and* ***"- Internal Risk Factors – Other risks – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks****" on pages 16 and 64, respectively.*

Overview of global economy

Review of and outlook on economic trends and inflation in key countries

Just as the world was recovering from challenges heaped by the COVID-19 pandemic, an expected strong recovery was truncated by Russia's invasion of Ukraine in early 2022 and consequent rise in energy and commodity prices. After the initial shock, there was some improvement in global economic indicators in the second half of 2022. Indeed, concerted effort by major central banks over 2022 seems to have stemmed inflation to some extent while preventing any major economic slowdown. Still, the global economic outlook is projected to be lukewarm for the medium term.

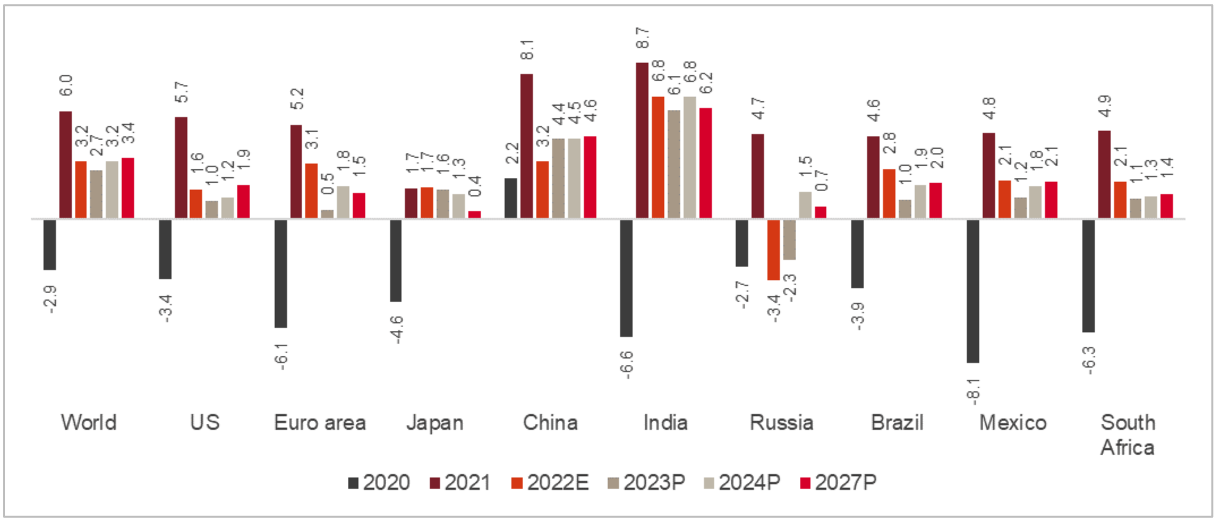
Global inflation and growth trajectory

The geopolitical shock following the Russia-Ukraine crisis has had ripple effects, most visibly in energy and commodity prices. Prices rose sharply over fears of supply disruption from Russia, given its status as the second largest exporter of crude oil globally, with prices continuing to climb as advanced economies imposed economic sanctions on Russia – Brent crude briefly crossed the $130/barrel mark in early March 2022. Base metal prices (particularly that of non-ferrous metals such as aluminium and nickel) also jumped owing to Russia's position as a significant producer.

The International Monetary Fund ("**IMF**") estimates that the global economy grew at 3.2% in 2022 compared to 6.0% growth in 2021.

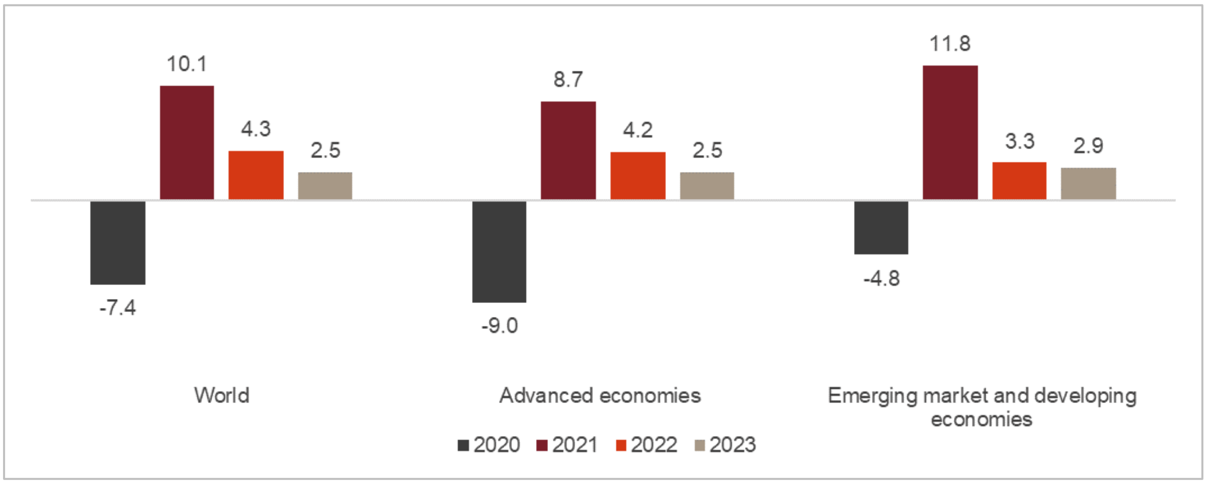
India is expected to remain a growth outperformer over the medium run. CRISIL expects India's Gross Domestic Product ("**GDP**") growth to average 6.6% between Fiscal 2024 and Fiscal 2026, compared with 3.1% globally - as estimated by the IMF. India would also outpace emerging market peers such as China (4.5% growth estimated between 2023 and 2025), Indonesia (5.2%), Turkey (3%) and Brazil (1.6%).

IMF GDP projections for key economies



**Euro area includes 19 countries of the European Union*
*Source: IMF (World Economic Outlook – October 2022 update), CRISIL Market Intelligence & Analytics (“**CRISIL MI&A**”)*

IMF estimates of world trade growth

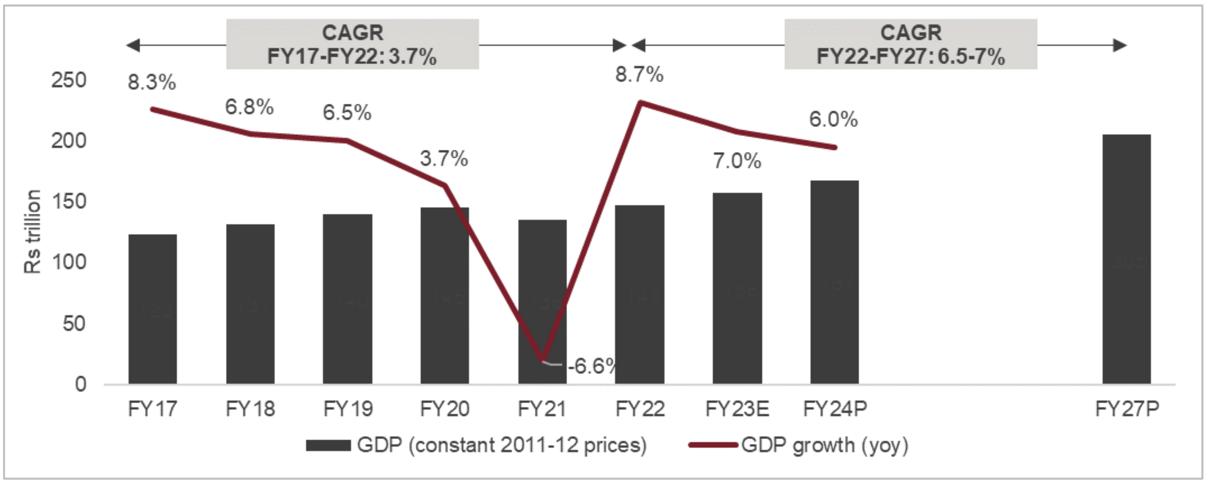


Advanced economies – The United States of America, Japan, European Union; Emerging market and developing economies – China, India, Russia, Brazil, Mexico, South Africa
Note: Volumes of exports of goods and services have been considered for the calculations
Source: IMF (World Economic Outlook – October 2022 update), CRISIL MI&A

Overview of the Indian economy

Review of real GDP growth between Fiscal 2017 and Fiscal 2022 and outlook between Fiscal 2022 and Fiscal 2027

*GDP growth pace to slow down to 7% in Fiscal 2023, long term growth expected at 6.5-7% compound annual growth rate (“**CAGR**”)*



P: Projected; E: Estimated, Fiscal 2022 – Second advance estimate
Source: National Statistical Office, CRISIL MI&A estimates

India to remain a growth outperformer globally

Despite the markdown in near-term growth, India is expected to remain a growth outperformer over the medium run. CRISIL expects India's GDP growth to average 6.6% between Fiscal 2024 and Fiscal 2026, compared with 3.1% globally - as estimated by the IMF.

Drivers for India's economic growth

- Stronger domestic demand is expected to drive India's growth premium over peers in the medium term.

- Investment prospects are optimistic, given the government's capital expenditure push, progress of Production-Linked Incentive ("**PLI**") scheme, healthier corporate balance sheets, and a well-capitalized banking sector with low non-performing assets.

- India is also likely to benefit from its supply chain de-risking strategy as global supply chains get reconfigured with focus shifting from efficiency towards resilience and friend shoring.

- Private consumption (approximately 57% of GDP) will play a supportive role in raising GDP growth in the medium term.

Factors that will shape growth between Fiscal 2023 and Fiscal 2024

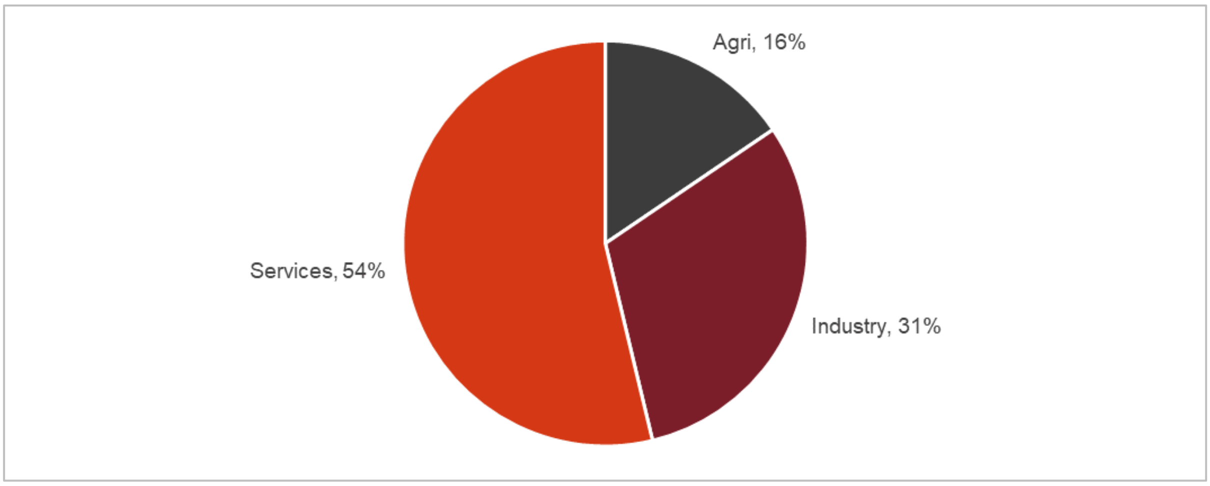
Household demand is holding up this Fiscal, helped by services catch-up and government capital expenditure: Consumer spending is growing in pockets for some goods and services. Among passenger vehicle ("**PV**") sales have been recording double digit growth since May 2022 as the festive season especially augured well for consumer spending after two years of subdued celebrations due to the COVID-19 pandemic.

Increased synchronization of global and domestic growth cycles: Long-term growth movements suggest that despite being on divergent trends, India's growth cycles have been remarkably synchronized with those of advanced economies since the 2000s (see chart below). Put another way, there is no escaping the short-term demand fluctuations around the trend and this time will be no different. The deceleration of major developed economies underway will create downside risks for India's growth outlook.

Government policies to boost manufacturing in India

India's economic output is mainly driven by the high productivity services sector which contributes 54% of the economic output. Industry accounts for a distant second at 31%, of which, manufacturing accounted for nearly 60%. Growth in the manufacturing sector not only increases jobs in the sector but also reduces forex outgo on imported goods. Hence, the government has introduced several incentives in the past decade to boost the manufacturing sector in India.

Sectoral GDP share Fiscal 2022



Source: CRISIL MI&A

Make in India

The "Make in India" initiative was launched in September 2014, to give a push to manufacturing in India and encourage FDI in manufacturing and services. The objective of the initiative was to increase the share of manufacturing in GDP to 25% by 2020 by boosting investment, fostering innovation and intellectual property, and building best-in-class infrastructure for manufacturing across sectors, including, but not limited to, automobile, auto-components, aviation, biotechnology, chemicals, construction, defence manufacturing, electrical machinery, electronic systems, food processing, mining, oil and gas, pharmaceuticals, renewable energy, thermal power, hospitality and wellness.

Decoupling of global supply chains

As traditional supply chains are threatened by large scale global events, a rising trend in protectionism and wage inflation, there is a greater need for rethinking supply chain models to remain competitive. In the wake of global disruptions such as the COVID-19 pandemic, geopolitical crises and environmental disruptions, significant decoupling of supply chains is happening to bring key supply links closer home, particularly the ones situated in China.

To establish collective supply chains that would improve their resilience in the long term, 18 economies, including India, the United States of America and the European Union unveiled a roadmap in July 2022 which included steps to counter supply chain dependencies and vulnerabilities. This was done as a part of the ongoing supply chain de-risking strategy of global companies and multinationals, wherein global companies are diversifying their businesses away from their reliance on a single large supplier, to alternative destinations. Beijing's Zero-COVID policy and the attendant disruptions to global supply chains, container shortage and higher lead times have served as an impetus to this strategy. This reorientation has benefitted other Asian economies in southeast Asia and India. India can take advantage of the same as the enormous quantum of Chinese exports coupled with India's cost advantage in manufacturing, would serve as a highly lucrative opportunity for Indian manufacturers. Realising this opportunity, the government has introduced many reforms and incentive schemes to increase domestic manufacturing and attract global manufacturing firms to India.

Atmanirbhar Bharat

Atmanirbhar Bharat Abhiyan or the self-reliant India campaign was launched in May 2020 amid the COVID-19 pandemic, with a special and comprehensive economic package of Rs 20 trillion, equivalent to 10% of the country's GDP.

The scheme was launched with the primary intent of fighting the COVID-19 pandemic and making the country self-reliant based on five pillars: economy, infrastructure, technology-driven system, demography, and demand. The stimulus package announced by the government under the scheme consisted of five tranches, intended to boost businesses, including Micro, Small and Medium Enterprises ("**MSMEs**"), help the poor (including farmers), boost agriculture, expand the horizons of industrial growth, and bring in governance reforms in the business, health, and education sectors.

The mission emphasises the importance of encouraging local products and aims to reduce import dependence through substitution. It also aims to enhance compliance and quality requirements to meet international standards and gain global market share.

The government has also rolled out other reforms - namely, supply chain reforms for agriculture, rational tax systems, simple and clear laws, capable human resources, and a strong financial system.

PLI scheme

The PLI scheme's primary objective is to make manufacturing in India globally competitive by removing sectoral disabilities, creating economies of scale, and ensuring efficiency. It is designed to create a complete component ecosystem in India and make the country an integral part of the global supply chain. Furthermore, the government hopes to reduce India's dependence on raw material imported from China. The scheme is expected to boost economic growth over the medium term and create more employment opportunities, as many of the sectors covered under the scheme are labor-intensive. It will be implemented between Fiscal 2022 and Fiscal 2029.

Construction spends across industrial investments in Fiscal 2023 are seen rising 6-10% owing to the high base in Fiscal 2022 where the sector grew owing to deferred investments from Fiscal 2021 and capital expenditure investments from the PLI scheme coming online. The PLI scheme is a time-bound incentive scheme by the Government of India which rewards companies in the 5-15% range of their annual revenue based on the companies meeting pre-decided targets for incremental production and/or exports and capital expenditure over a base year. The stronger-than-expected pick-up in demand and larger companies gaining share from smaller companies has also led to revival of capital expenditure in Fiscal 2022. The rise in this Fiscal was on account of the expansion plans underway by India Inc.

Budgeted incentives for each sector under the PLI scheme

Sector	**Segment**	**Budgeted (Rs bn)***	
Automobile	Advance chemistry cell ("**ACC**") battery	181	751.4
	Automobiles and auto components	570.4	
Electronics	Mobile manufacturing and specified electronic components	409.5	545.15
	Electronic/technology products/IT hardware	73.25	
	White goods (ACE and LED)	62.4	
Pharma and medical equipment	Critical key starting materials/drug intermediaries and active pharmaceutical ingredients	69.4	253.6
	Manufacturing of medical devices	34.2	
	Pharmaceutical drugs	150	
Telecom	Telecom and networking products	122	122
Food	Food products	109	109
Textile	Textile products: man-made fibre and technical textiles	106.8	106.8
Steel	Speciality steel	63.2	63.2
Energy	High-efficiency solar PV modules	240	240
Aviation	Drones and drone components	1.2	1.2
Total			**2,192**

**Approved financial outlay over a five-year period*
ACE: Appliance and consumer electronics; LED: Light-emitting diode

Source: Government websites, CRISIL MI&A

Review of and outlook on the automotive industry between Fiscal 2017 and Fiscal 2027P

The two-wheeler ("**2W**") segment dominates the Indian auto industry (approximately 77% by volumes) and primarily dictates its tone. The industry saw a decline of 4.8% CAGR (between Fiscal 2017 to Fiscal 2022) in total 2W sales along with a flat CAGR in the PVs and commercial vehicles ("**CVs**") segments. A decline of 12% in three-wheelers ("**3Ws**") was observed. Across segments, there was a decline owing to a slowdown in the economy, transition to BS VI norms, and the challenges posed by the COVID-19 pandemic. In Fiscal 2022, the 2W industry recorded a de-growth of 9.5% whereas 3Ws, PVs and CVs grew by 18.9%, 24.8% and 26.2%, respectively. Electronic vehicles ("**EVs**") are gaining in India and are growing faster than internal combustion engine ("**ICE**") vehicles across the 2W, 3W and four-wheelers ("**4W**") sectors.

Growing population and urbanization provide for opportunities in the automotive sector, as they call for increasingly fast, safe, and reliable transportation modes. Electrification and other energy and eco-friendly solutions result from growing energy demand that is coupled with growing public awareness of energy efficiency and increasing public policies on energy, such as stricter emission laws. EVs hold a high potential for emission-efficient mobility solutions across the world, including 2Ws, 3Ws and PVs supported by government incentives for setting up EV charging infrastructure and vehicle purchase subsidies which have helped in increasing demand for EVs and reducing battery prices due to increase in production capacities across the world. The automotive industry is subject to seasonality throughout the year, as it has been seen in the past that during festive periods sales generally see an uptick whilst in periods of low economic activity such as during the monsoon season or during plant shutdowns, sales and offtake generally sees a downturn.

Automobile segments (domestic sales volumes)

Automobile segments	Sales volume, Fiscal 2022 (million units)	CAGR% Fiscal 2017-Fiscal 2022	Fiscal 2023E (y-o-y growth %)	Sales volume, Fiscal 2027P (million units)	CAGR% Fiscal 2022-Fiscal 2027P
CVs	0.72	0%	31-33%	1.27	11-13%
PVs	3.07	0%	24-26%	5.17	10-12%
2Ws	13.73	(4.8)%	13-15%	22.43	9-11%
3Ws	0.27	(12.1)%	51-53%	0.58	17-19%

Source: SIAM-Society of Indian Automobile Manufacturers, CRISIL MI&A

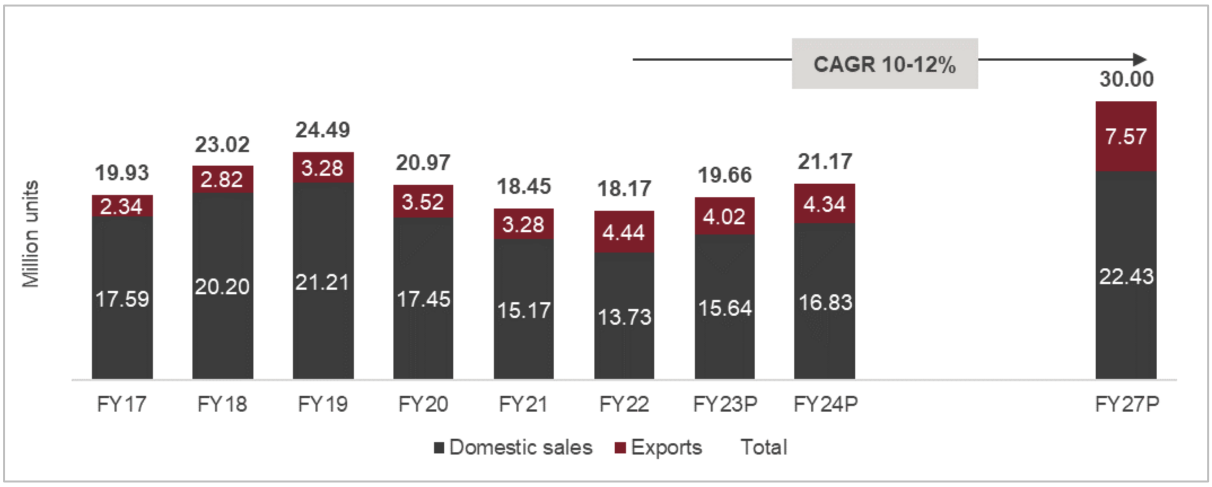
Review of and outlook on the 2W industry between Fiscal 2017 and Fiscal 2027P

India is the largest motorized 2W market in the world, with domestic sales of 13.73 million units in Fiscal 2022. It constitutes approximately 77% of the total market comprising 2Ws, 3Ws, PVs and CVs by volume; and approximately 13% in value terms (approximately Rs 642 billion). Furthermore, India is also one of the largest exporters of 2Ws in the world.

The Indian 2W production grew at a CAGR of -1.8% between Fiscal 2017 and Fiscal 2022, because of lower output in Fiscal 2020, owing to the transition to BS-VI norms and the COVID-19 pandemic-triggered challenges in Fiscal 2021. However, between Fiscal 2016 and Fiscal 2019, the industry posted 9% CAGR thanks to good monsoon, favourable economic situation, and rising exports.

2W demand in India declined at a meagre 2% CAGR between Fiscal 2016 and Fiscal 2021, after seeing consecutive double-digit decline of 18% and 13% in Fiscal 2020 and Fiscal 2021, respectively. However, exports clocked 5% CAGR over the same period.

2W production volume



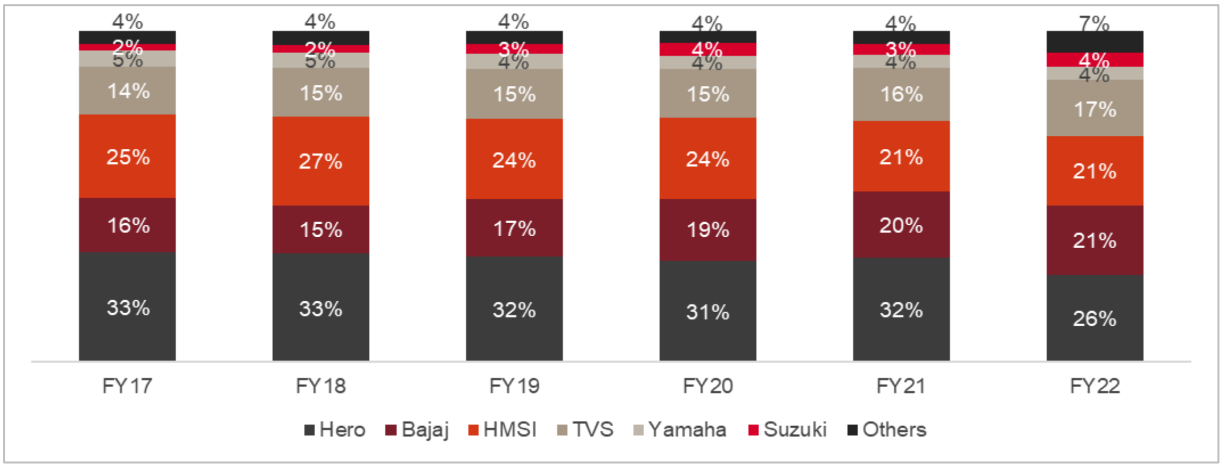
Source: SIAM, CRISIL MI&A

CRISIL MI&A expects 2W exports from India to log a CAGR of 10-12% between Fiscal 2022 and Fiscal 2027, compared with 13.7% between Fiscal 2017 and Fiscal 2022. While expansion in geographical reach and extensive product portfolios will drive growth, crude oil prices and currency fluctuations in export markets remain key monitorables. Revival in the African economy is expected to lift exports in the long term. Moreover, government initiatives to make India an exports hub, along with policies such as PLI, provide further impetus to 2W exports.

Production split by original equipment manufacturers ("OEMs")

Competition in the 2W industry has intensified across all segments over the past few years owing to capacity additions, expansion of dealership network, and model launches at competitive price points. OEMs such as Honda, TVS and Royal Enfield have been steadily gaining market share, heightening competitive intensity over the past few years. The trend is expected to continue, with the premium motorbikes and 125 cc scooters tipped to witness most of the action in the next few years.

Production split by OEMs



Note: Share of production is shown for OEM's which are part of SIAM
Source: SIAM, CRISIL MI&A

Domestic sales as against exports

Domestic sales accounted for approximately 86% of the Indian 2W industry over the past five years, though manufacturers such as TVS Motor Company, Bajaj and HMSI have been expanding their geographical footprint. Also, joint ventures with global brands - such as KTM, Husqvarna and BMW - and catering to the global demand of these brands from India have given an additional thrust to 2W exports.

Growth drivers for domestic sales

- The main driver is likely improvement in macroeconomic factors following subdued growth earlier this Fiscal. CRISIL MI&A expects GDP to clock 6.5-7% CAGR between Fiscal 2022 and Fiscal 2027. Inflation, on the other hand, is expected to remain soft to moderate. Higher GDP growth and lower inflation would boost domestic sales, led by better affordability with a rise in disposable income.

- Higher penetration in semi-urban and rural markets will steer growth in 2W sales.

- Finance penetration is likely to rise in the long term, with continued focus of banks and nonbank financial companies ("**NBFCs**") on semi-rural and rural areas.

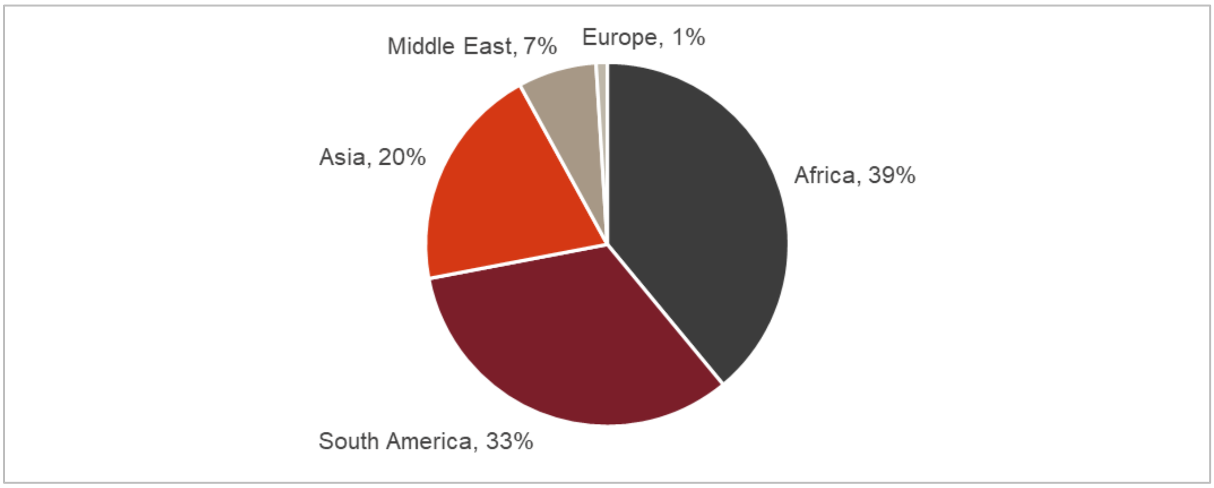
- Rural infrastructure growth has a pronounced impact on rural incomes, in turn, boosting domestic sales. Strong investments under infrastructure schemes will further boost rural infrastructure, with a multiplier effect. Farm income is also expected to grow moderately going forward, with improvement in irrigation facilities, increase in mechanisation and crop yields, and continued government support.

- The use of 2Ws (mainly electric) in last-mile delivery by e-commerce players and food chains would also drive demand for it.

Region-wise exports

Indian 2Ws are exported to crude oil exporting developing countries, primarily in Africa and Latin America, which collectively constituted approximately 55% of India's exports in Fiscal 2022. Hence, crude oil prices and currency fluctuations have an impact on India's 2W exports. Exports jumped 36% in Fiscal 2022, on a low base of Fiscal 2021, driven by improved economic sentiment, uptick in mobility, monetary easing, and improved production. There was a price hike each in July and October 2021, driven by commodity prices. OEMs' efforts to diversify into more promising geographies boosted exports in Fiscal 2022.

Share of key export destinations (Fiscal 2023, April-November)

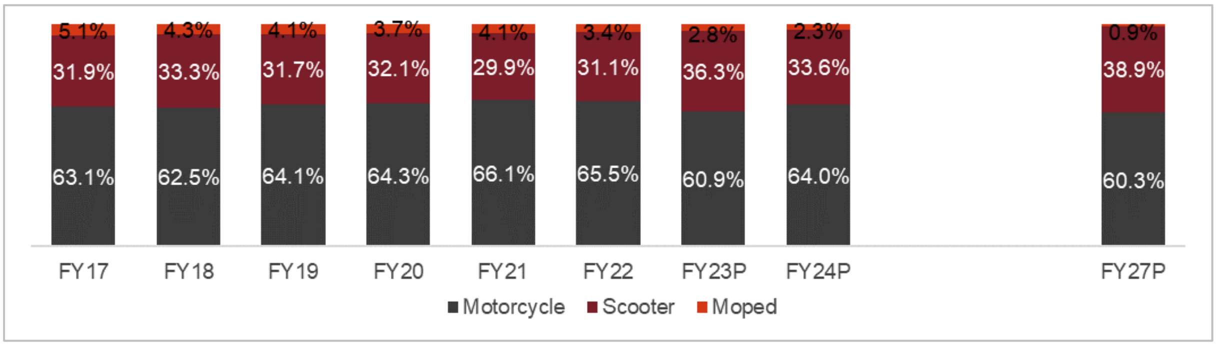


*Source: Directorate General of Foreign Trade ("**DGFT**"), CRISIL MI&A*

Split by motorcycle, scooter, and moped sales

Motorcycles dominate the domestic 2W space, with approximately 65% market share in Fiscal 2022, but domestic demand for motorcycles declined 10% on-year due to weak rural demand. CRISIL MI&A expects motorcycle demand to increase 5-7% on-year this Fiscal.

Segment-wise domestic 2W share

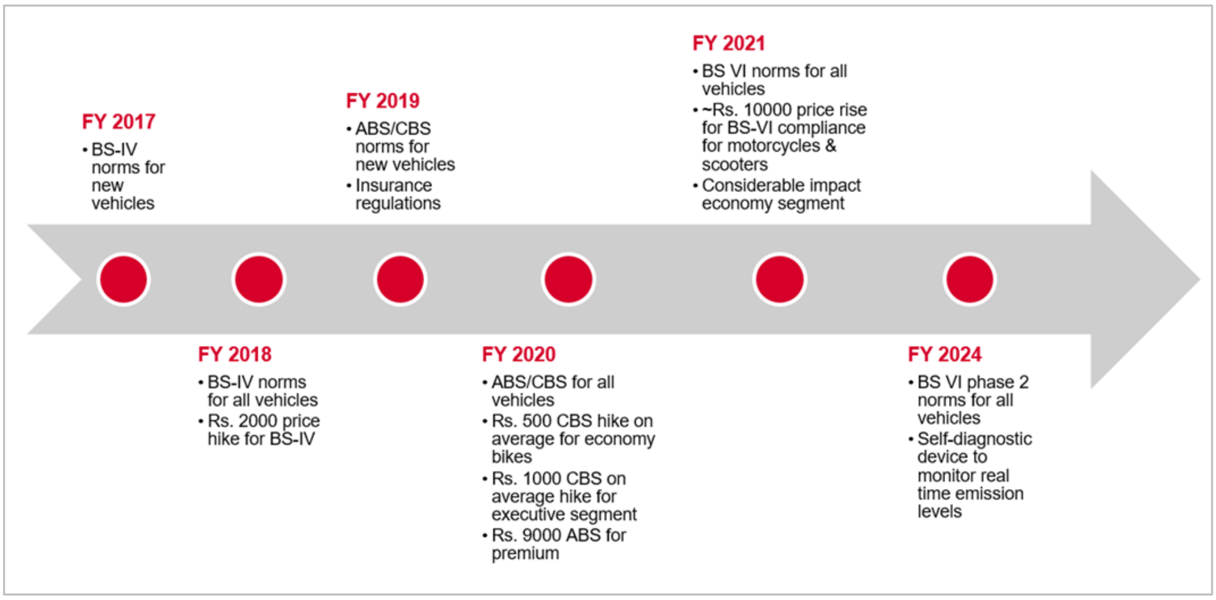


E: Expected
Source: SIAM, SMEV, CRISIL MI&A

Key domestic regulations

The Indian government has been taking aggressive steps to converge emission standards with global norms. In February 2016, it decided to skip BS-V norms and directly mandate BS-VI norms. Compliance with the latest emission standards requires improvement mostly in the exhaust system, thereby increasing the prices of 2Ws.

Regulatory timeline and its impact on prices



Source: Industry, CRISIL MI&A

Key macroeconomic drivers for domestic sales

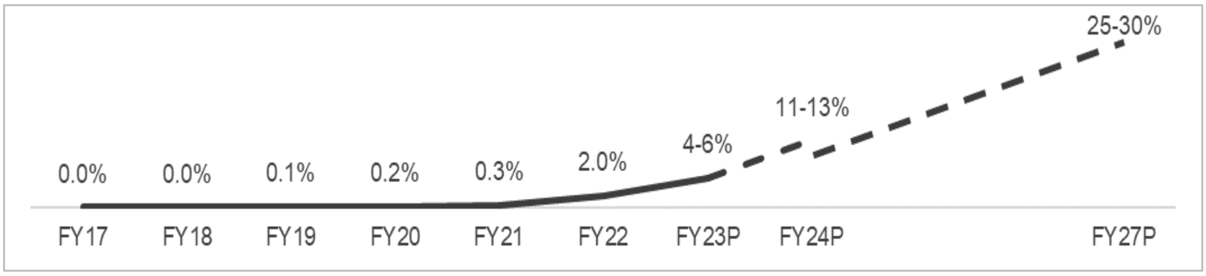
- *Macroeconomic scenario*: The performance of the Indian 2W automotive sector is dependent on numerous social and economic factors, including demographic trends and preferences, employment and income levels, affordability of 2W vehicle customers, changes in government policies, economic conditions, availability of finance and interest rates.

- *Investment in infrastructure*: Rural infrastructure also has a pronounced impact on rural incomes and, in turn, 2W sales. Firstly, by generating employment in the rural economy during the construction of roads, thereby acting as a wage and income multiplier. Secondly, by enabling mobility and accessibility.

- *Finance availability*: Stringent credit norms and credit information through the Credit Information Bureau (India) Ltd ("**CIBIL**") have helped players widen their customer base. Moreover, the entry of NBFCs targeting markets exited by banks, and captive NBFCs (operated by 2W manufacturers) largely focusing on non-metros have raised competition in the industry.

- *Women participation*: More women in the workforce (a sharp rise in the past decade) has increased the overall household income, boosting 2W sales. CRISIL MI&A estimates 35-40% of typical urban 2W sales are due to women participation.

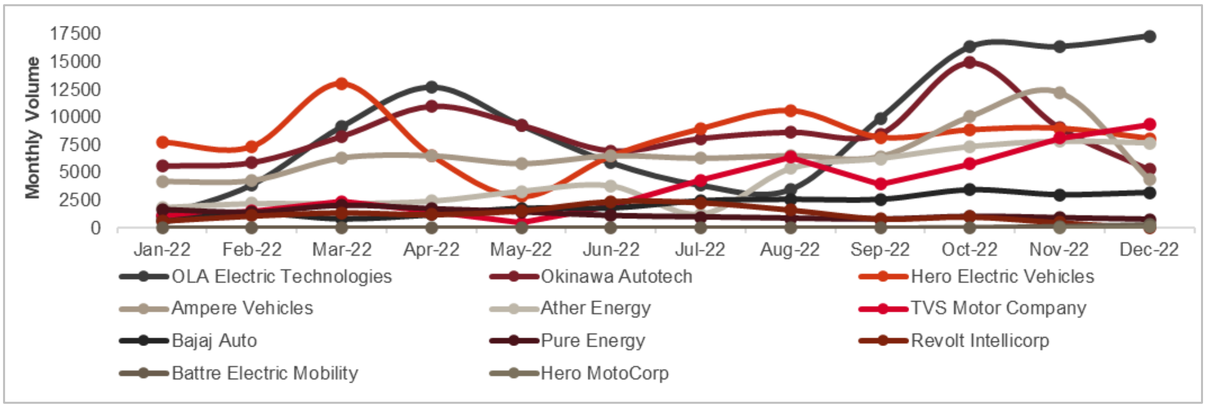
EV penetration



Source: SIAM, SMEV, VAHAN, CRISIL MI&A

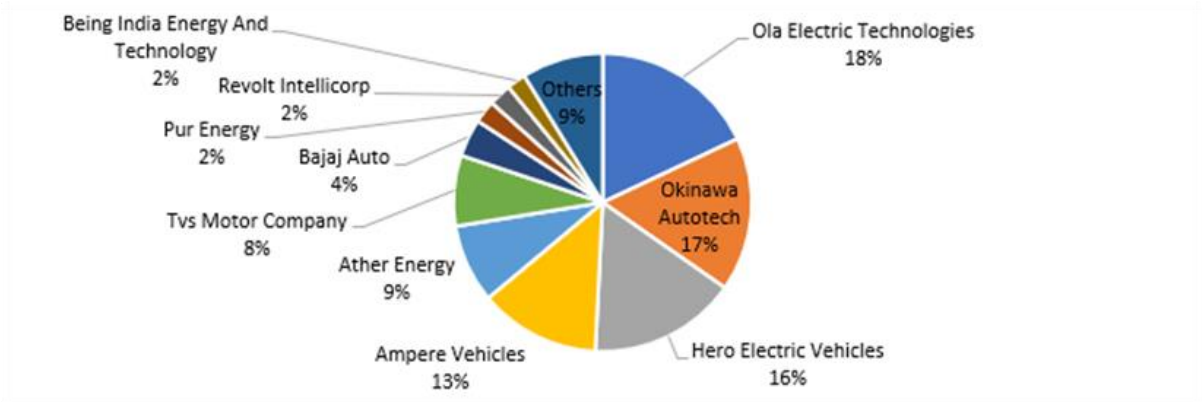
To curb pollution levels, EVs are gaining global interest. In India as well, EVs are gaining popularity as the government is extending support via Faster Adoption and Manufacturing of Hybrid and Electric ("**FAME**") II vehicles and tax rate cuts to encourage EV adoption. Furthermore, growing awareness and concern for environmental issues is likely to driver electrification in India. CRISIL expects electric 2W ("**e-2W**") market penetration to be 4-6% by Fiscal 2023, and CRISIL expects e-2Ws to start contributing meaningfully from Fiscal 2024 and reach 25-30% penetration by Fiscal 2027 growing at a CAGR of 84% to 86% between Fiscal 2022 and Fiscal 2027.

Monthly retail sales of e-2W in 2022



Source: VAHAN, CRISIL MI&A

Market Share for e-2W in CY2022



Source: VAHAN, CRISIL MI&A

In Fiscal 2022, e-2W sales totaled 0.32 million units as compared to 0.14 million units in Fiscal 2021 (124% growth on-year). E-2W sales jumped last Fiscal due to improved model availability, new model launches by ICE OEMs, lower priced models, improved charging infrastructure availability, hike in FAME subsidy from 10k/KwH to 15k/KwH, and TCO parity with ICE vehicles. Sales of high-speed e-2W totaled 0.27 million units in the first half of 2023, similar to sales in the previous Fiscal. The industry is currently driven by supply and capacity of the OEMs with ample demand. Non-legacy players like Ola Electric, Okinawa Scooters, Ather Energy and Ampere EV by Greaves are gaining a strong foothold in the domestic e-2W industry, stealing a march on the established OEMs, and are disrupting the market with a hope to leverage their first-mover advantage and technological advances. The current e-2W market growth is largely supply driven as high demand for e-2W is not being met by existing suppliers resulting in long waiting periods for e-2Ws. The incumbent ICE players have taken longer to enter the e-2W segment, however, they are making up for lost time by rapidly expanding their sales network as well as production capacity and are likely to challenge the top EV players.

Measures enabling home charging and battery swapping will alleviate range anxiety (fear of running out of charge in the middle of the journey) which is a key concern for EV buyers due to low availability of public charging infrastructure. To address this, and to generate an ecosystem to accelerate EV sales, the Ministry of Road Transport and Highways has decided to set up new EV charging stations. The government has also come up with draft guidelines on battery swapping policy which allows interoperability of batteries which is a positive for battery swapping stations which can be setup at petrol pumps to address range anxiety for EV owners. However, availability of necessary infrastructure, especially the provision for DC fast charging in remote petrol pumps (away from cities), remains a monitorable.

As per CRISIL's analysis, bulk of the migration towards EVs will take place from the scooter segment. The scooter segment contributed approximately 30% of 2W sales in Fiscal 2022 and 32% in the first half of 2023 and has a higher urban penetration of 65-75% compared with motorcycles, which is largely rural demand driven. EV adoption in the 2W segment will be largely driven by urban scooter buyers by Fiscal 2027, because the cost of ownership for electric scooters will be less than that for ICE scooters. Major OEMs are already in the process of developing EVs in-house or acquiring stakes in the existing EV start-ups to diversify their offerings.

Since EVs are simpler to produce than traditional ICE vehicles, many new OEMs have emerged, both start-ups (such as Ather Energy, Simple Energy, Tork Motors that have developed EV offering indigenously) as well as established business houses such as JSW group foraying into EV manufacturing.

Key trends and growth drivers

- Government intervention in regulations and policies.

- Total cost of ownership ("**TCO**").

- Growing awareness regarding environmental issues.

Government intervention in regulations and policies

The Government of India, through various ministries, has formulated policies for the development of the EV sector in India. The Ministry of Power has revised guidelines for the distribution and sale of power. The following table lists some of the policies and their expected outcomes:

Policy	Policy details	Actual/expected outcome
Reduction in the GST rate for EVs and chargers	• From 12% to 5% for EVs, and 18% to 5% for chargers, effective from August 1, 2019.	• EV acquisition cost came down. Fast-charging infrastructure cost also reduced.
Union Budget 2019-20	• Income tax deduction of Rs 0.15 million on EV loans.	• TCO declined, especially for salaried professionals.
Warranty condition for eligibility of vehicle under FAME II (May 15, 2019)	• Warranty condition revised to three years subject to 20,000 km; earlier warranty on vehicles was provided for one year only.	• Customer perception of low quality of EVs expected to change.
FAME II subsidy (March 22, 2019) valid till Fiscal 2024	• One million e-2W to be given subsidy at Rs 10,000 per kwh or 20% of ex-factory price (limited to Rs 0.15 million).	• e-2W acquisition cost came down, with subsidy up to 20% of ex-factory price for current models.
State EV policies	• Eight states have finalised their EV policies and eight others have draft policies. • Policy entails supply and demand-side incentives.	• Maharashtra and Delhi are offering incentives, further lowering acquisition cost. • Demand-side incentives include reduced tariff for EV charging, rebates on road tax, interest-free loans for auto component manufacturers, and non-Fiscal incentives for skill development. • Supply-side incentives include interest subvention on investments made and stamp duty exemption.
PMP norms (April 29, 2019)	• Increase in import duty on EV auto component parts from 10% to 15% from April 2021.	• OEMs not meeting localisation norms will not be eligible for the demand incentives. • Subsidies of those EV OEMs who hadn't met the domestic value addition criteria were put on hold by the centre in September 2022. • The cost of importing parts is also set to increase from April 2021, if a sustainable and cost-effective domestic alternative is not found. • This will increase acquisition cost of e-2W. • CRISIL's recent interactions with e-2W OEMs suggest vehicle control units, battery packs, and lithium-ion cells are still being considered for substitution.
EV charging ecosystem	• Sixteen state policies in final and draft stages offer incentives for setting up charging stations. • As per the Ministry of Power's notification issued on December 14, 2018, resale or commercial activity in electricity has been allowed for utilities/service providers providing public charging infrastructure. • Oil marketing companies' (OMCs) retail pumps will be given priority for installation of public EV charging stations.	• Under FAME I, the government sanctioned 520 chargers. • Under FAME II, the government sanctioned 2,636 charging stations across 62 cities. • Fast and accessible charging will help reduce range anxiety and drive faster adoption of e-2Ws.

Policy	Policy details	Actual/expected outcome
	• Nine cities with a population of 4 million and above are the focus of phase I of the EV charging policy. • There must be at least one charging station in a grid of 3 km x 3 km in cities.	

*Source: SMEV, FAME, Department of Heavy Industries ("**DHI**"), and CRISIL MI&A*

Regulators play an important role in driving faster adoption of EVs. The FAME II scheme has an outlay of Rs 100 billion with a major proportion dedicated to demand incentives. Rs 10 billion is earmarked for the development of charging infrastructure. Demand-side incentives under the FAME scheme are applicable until Fiscal 2022, and state EV policies (mostly of five-year tenure) until Fiscal 2023. Continuation of policies after Fiscal 2023 will play an important role in driving adoption of hybrid and EVs. Execution of the schemes will also be a key factor considering that only Rs 4.4 billion of the Rs 8.93 billion allocated to FAME I has been utilised. All the policies and regulations focus on decreasing the acquisition cost and building capabilities through the PMP scheme and the recently announced PLI scheme.

TCO analysis

TCO for scooters in Fiscal 2022 for four-year ownership

Annual running	8,000 km	10,000 km	12,000 km
ICE-equivalent 2W EV	31% lower cost than ICE	37% lower cost than ICE	42% lower cost than ICE

TCO for scooters in Fiscal 2027 for four-year ownership

Annual running	8,000 km	10,000 km	12,000 km
ICE-equivalent 2W EV	33% lower cost than ICE	38% lower cost than ICE	42% lower cost than ICE

Total cost of ownership analysis framework takes into consideration down payment/ initial payment, EMI, fuel cost, maintenance cost and battery replacement cost if any over the ownership period adjusted for the resale value
Source: I

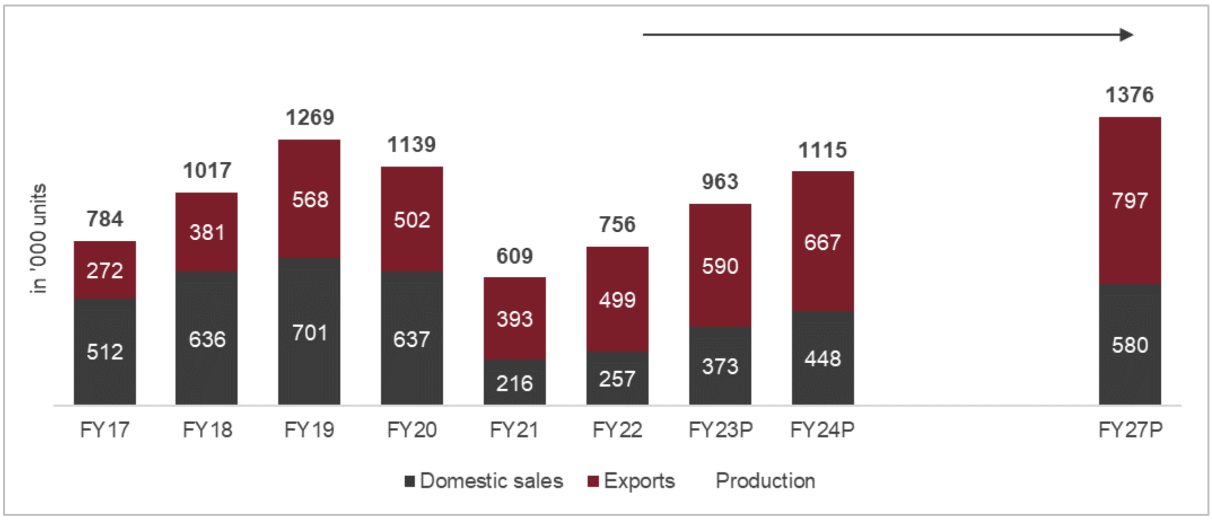
Growing awareness regarding environmental issues

Alarming levels of air pollution among metro cities in India and actions taken by the local governments are resulting in higher awareness levels among masses, especially youth, regarding environmental issues and advantages of EVs in addressing some of these issues. Growing awareness levels and concern regarding environmental issues is therefore likely to be one of the drivers for electrification in India.

Review of and outlook on the Indian 3W industry

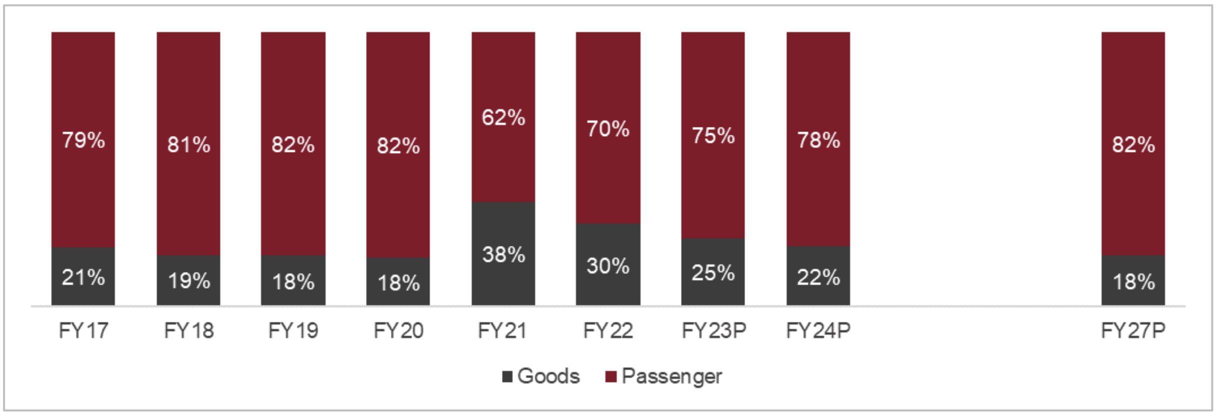
India is the largest 3W market in the world, with domestic sale of 0.27 million units in Fiscal 2022. It contributed to approximately 2% of the total market (comprising 2Ws, 3Ws, PVs and CVs) by volume and approximately 1% by value (approximately Rs 30 billion).

3W production volume trend



Source: SIAM, CRISIL MI&A

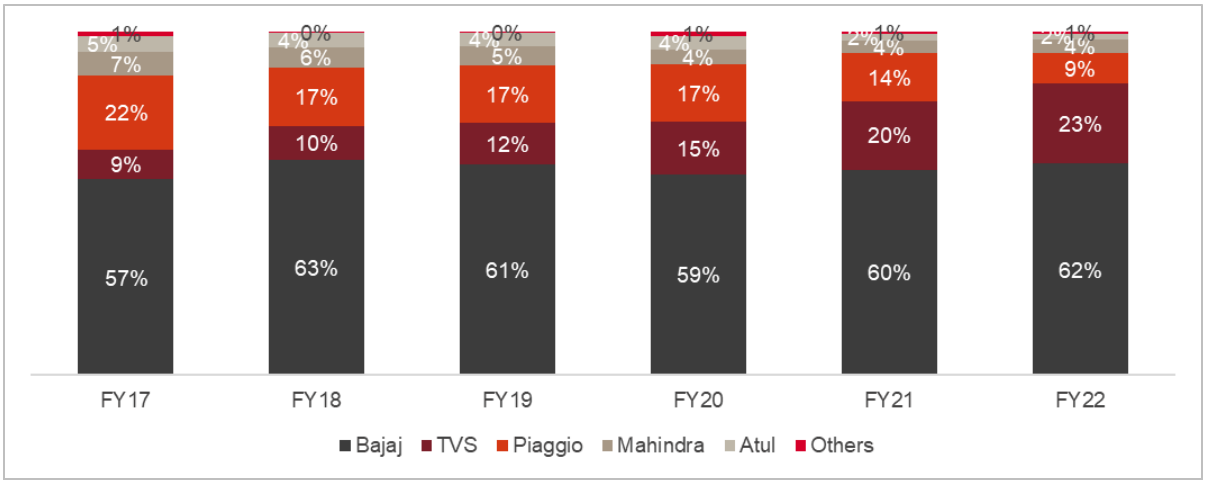
Split into 3W segments by volume



Source: SIAM, CRISIL MI&A

The passenger segment contributed to a majority share of the overall domestic sales of 3Ws and accounted for approximately 70% in Fiscal 2022. It is expected to log 20-22% CAGR between Fiscal 2022 and Fiscal 2027, whereas goods 3Ws are expected to grow 6-8%.

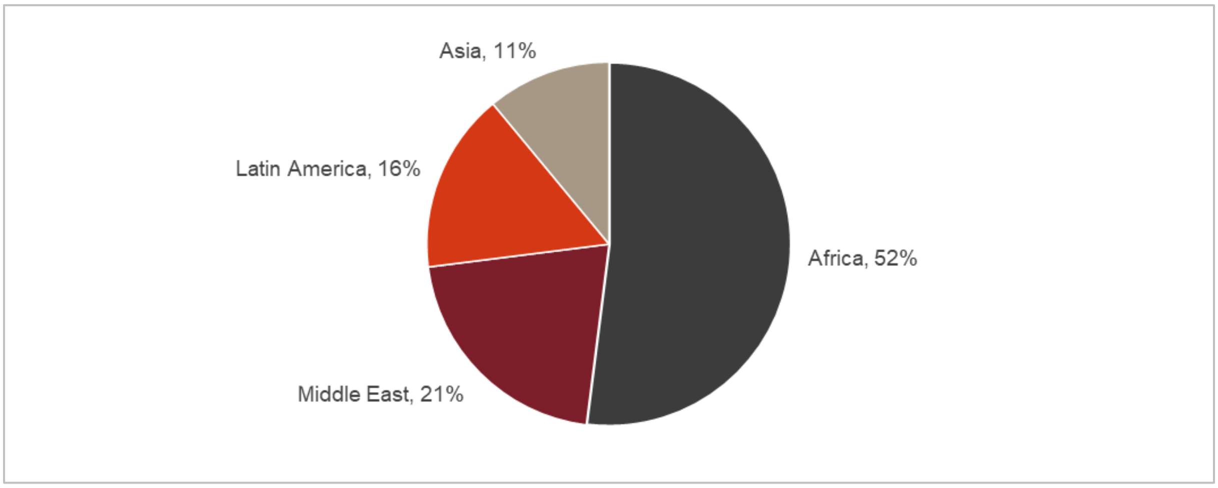
Production split by OEMs



Note: Share of production is shown for OEM's which are part of SIAM
Source: SIAM, CRISIL MI&A

Competition in the 3W industry is reasonably consolidated, with Bajaj at the helm over the past five years. Players such as Bajaj, TVS, Piaggio, Mahindra and Atul make up more than 99% of the market. While Piaggio is dominant the goods segment, Bajaj is way ahead of competition in the passenger segment.

Share of key export destinations (April-November 2022)



Source: DGFT, CRISIL MI&A

Exports to Africa in April-November 2022 (Fiscal 2023) amounted to approximately Rs 14.8 billion and to Middle East, approximately six billion. Latin America and Asia contributed to the rest, at approximately Rs 4.6 billion and Rs 3.2 billion, respectively.

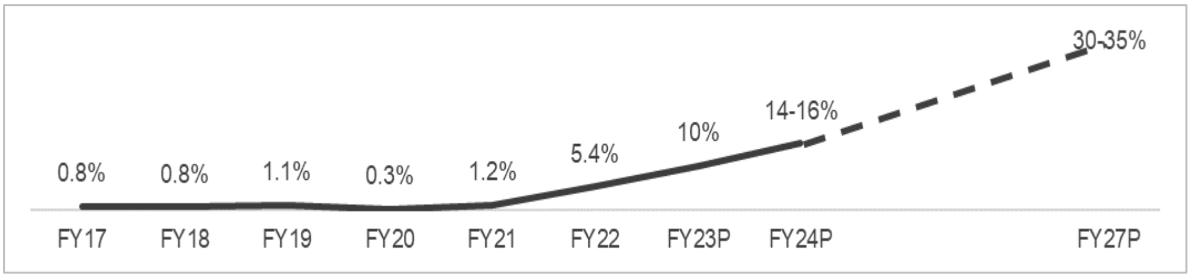
Share of exports to Asia rose amid increased exports to Indonesia. Nigeria extended its lead by 7% to 35% during April-August 2022 as against the same period last year. However, the drop in demand from Egypt restricted exports to Africa, while higher exports to Mexico and Peru supported share expansion of Latin America.

Key trends and growth drivers

- Stable agricultural output.
- Fillip to industrial output.
- Scrappage policy.
- Improvement in shared mobility and rising intra-city movement.

Electric three-wheeler ("e-3W") penetration

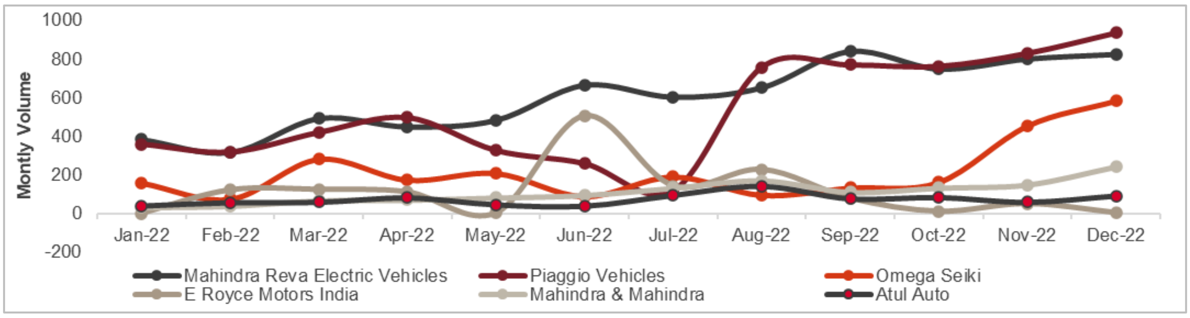
Penetration of e-3Ws



Source: SIAM, SMEV, VAHAN, CRISIL MI&A

Climate change concerns, pollution, and the surge in oil prices have driven the government take policy initiatives to move towards electric mobility. The country is now a signatory to the Paris Agreement and part of the Electric Vehicle Initiative 30@30 campaign. With this, the automotive sector, including the 3W segment, is set to receive substantial policy stimulus. Electric rickshaws dominate this space. The key trends and growth drivers for electrification include changes in regulations and policies, total cost of ownership and growing awareness about environmental issues. The Government, through various ministries, has formulated policies, such as the FAME II policy, for the development of the EV sector in India

Monthly retail sales of e-3W in 2022



Note: e-3W do not include e-rickshaws
Source: VAHAN, CRISIL MI&A

Mahindra Reva and Piaggio are the top two players in 2022, together accounting for over 50% of the market in the e-3W segment. They have seen strong growth in their sales in 2022 as 3W operators looking to lower their operating costs amid high fuel prices are seen switching to electric variants.

E-3Ws use lithium-ion batteries and have a speed more than 25 kmph. They are used for cargo as well as passenger movement. Very few players such as Mahindra Electric and Piaggio are present in this space. Under FAME I, lead acid battery driven e-3Ws were also eligible for the subsidy. However, under FAME II, only advanced batteries and registered vehicles are eligible. Higher initial cost of e-autos, lack of availability of wide range of products in the market, and poor charging infrastructure availability have posed challenges to their penetration, which stood at approximately 5% as of Fiscal 2022.

Despite these challenges, lowering operating cost economics and environmental cleanliness of the vehicle have supported the shift towards e-autos. E-3W passenger vehicles, unlike ICE vehicles, do not fall into the ambit of the permit system. This has also led to a shift in customer preference towards e-3Ws. As more players launch products in this category, CRISIL expects it to drive 3W sales. Incentives declared in the FAME II and state EV policies are also anticipated drivers.

Government's FAME policy to promote EVs

Incentive structure under FAME II

Maximum no. of vehicles to be supported	Approx. size of battery in KwH	Incentive (Rs/ KwH)	Maximum incentive (Rs)	Max ex factory price to avail incentive (Rs.)	Total fund supported (Rs Cr)
500,000	5	10,000	20% of cost of vehicle	500,000	2500

Source: DHI, CRISIL MI&A

FAME II compared to FAME I

	FAME II		FAME I	
	Approx. Incentive	Max ex-factory price(Rs lakh)	Incentive L1 (Rs)	Incentive L2 (Rs)
Registered 3W	40,000-62,000	5	45,000	54,000

Source: DHI, CRISIL MI&A

Electric penetration is expected to be approximately 10% in Fiscal 2023 aided by various state EV policies recently announced. By Fiscal 2027, CRISIL expects the penetration of e-3Ws to reach approximately 30-35% from 5% currently. The e-3W segment is expected to grow at a CAGR of 66% to 68% between calendar years 2022 to 2027.

Under FAME II, subsidy is made available to 0.5 million e-3Ws. However, under this programme, at least 50% localisation is required, with this limit to be increased in a phased manner. Various states have given additional subsidies to drive EV growth. Delhi's EV policy has even declared subsidy on lead acid-based battery-operated 3Ws.

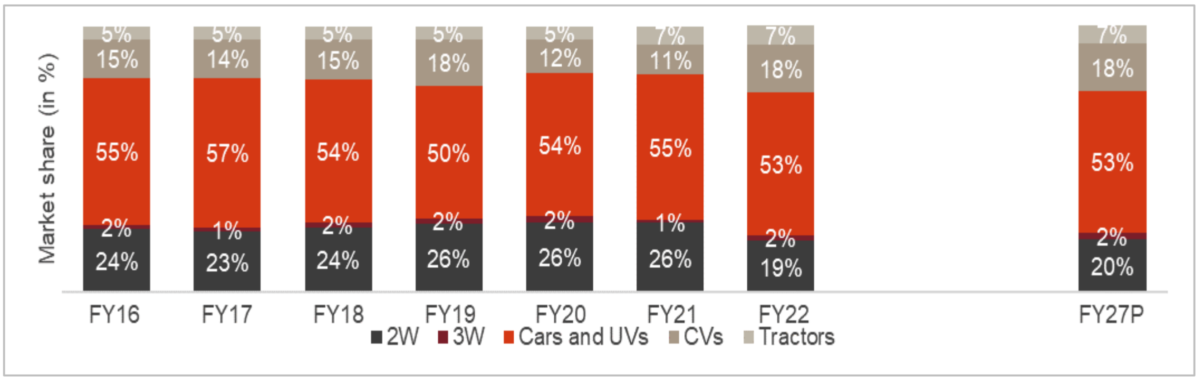
Factors driving growth

- Ban on permits for diesel vehicles by a few top selling 3W states.
- Favourable cost economics, strong charging infrastructure, easy availability of finance to drive the growth of e-autos.
- E-retail is currently an important segment in e-auto sales. An improving economy amid low to moderate inflation is expected to drive consumer spends in propelling growth in the retail industry, driving sales of e-autos even further.
- Strengthening in infrastructure network (metro lines and road connectivity) and need for zero emission 3Ws for last mile connectivity.

Review of and outlook on the Indian auto components industry

OEM auto component industry split by vehicle categories

Auto component production split by vehicle categories



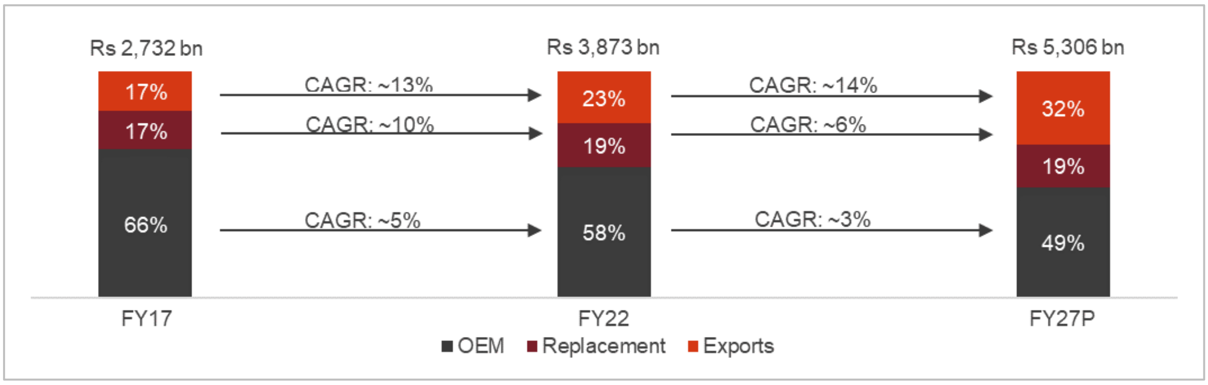
E: Expected
Source: CRISIL MI&A

Demand for auto components from OEM segments is expected to grow between 28-30% in Fiscal 2023. Overall, realisation on components is expected to have increased on account of vehicle price hikes due to the BS-VI transition. Also, the basic raw material index ("**BRMI**"), surged by approximately 10% in Fiscal 2021 on account of a rise in prices of commodities from quarter two onwards. In Fiscal 2022, BRMI surged by approximately 36-38% in Fiscal 2022 and prices of major raw materials such as steel and plastics increased by approximately 49-53%, that of pig iron by 36-40% and rubber by approximately 21-25% on year. Thus, the automotive components industry has experienced a price volatility with respect to raw material prices in the Fiscal 2021 and Fiscal 2022.

Auto component industry by OEM, export, and aftermarket in value terms

Auto component production (which includes sales to OEMs, exports, and the replacement market) has increased at a CAGR of approximately 7% to Rs 3,873 billion between Fiscal 2017 and Fiscal 2022 from Rs 2,732 billion compared with a negative growth in production across vehicle segments. While domestic sales are more volatile due to various factors like regulations, fuel prices and economic cycles that impact the short-term demand, exports and aftermarket help buffer the overall auto-component production growth from similar fluctuations.

Auto component production split by OEMs, aftermarket, and exports



Source: CRISIL MI&A

CRISIL MI&A expects the auto component market size to grow at a 5-7% CAGR between Fiscal 2022 and Fiscal 2027, comparable to the 7% CAGR observed between Fiscal 2017 to Fiscal 2022.

OEM demand: It is expected to grow at a 2-4% CAGR between Fiscal 2022 and Fiscal 2027 on the back of robust production growth across asset classes in the medium term (on a low base) and aided by realisation growth via OEM price increases. Outsourcing in the commercial vehicle segment is lower than for cars but is expected to increase owing to growing technological spends by auto component players due to BS VI and safety norms.

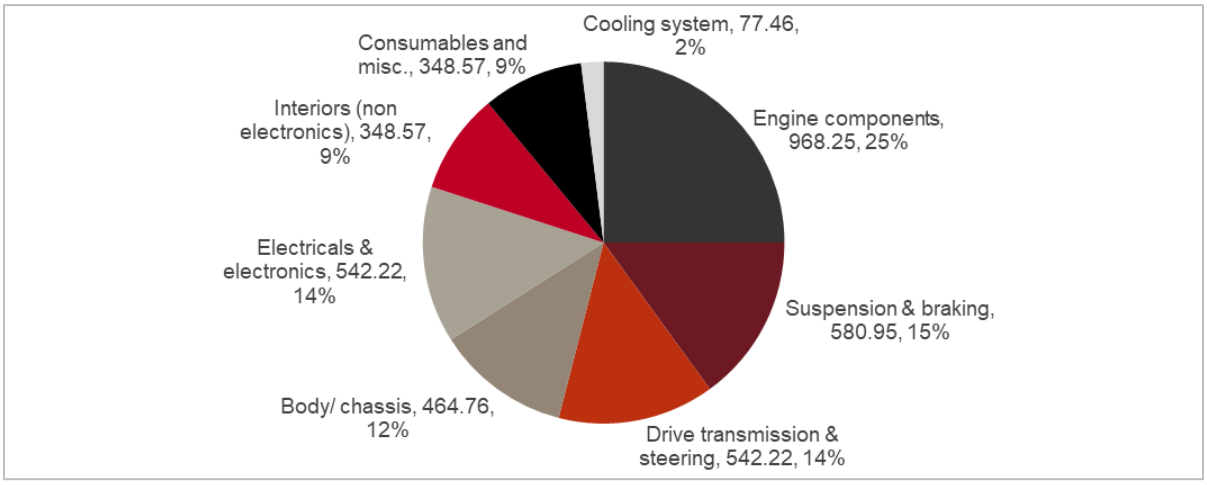
Replacement market: The auto component replacement market is projected to grow at a 5-7% CAGR between Fiscal 2022 and Fiscal 2027 due to increased OEM demand between Fiscal 2017 and Fiscal 2019, along with a replacement cycle of two to three years. Moreover, auto component players undertook price hikes in recent months to offset the uptick in commodity prices. Hence, rising realisation, to some extent, coupled with pent-up demand from Fiscal 2021 wherein the vehicular movement was restricted, is likely to support demand growth.

Exports: Auto component exports are projected to grow at a 13-15% CAGR between Fiscal 2022 and Fiscal 2027. As India is enhancing quality and safety standards, players are likely to gain an edge in newer geographies such as other low-cost manufacturing countries. The penetration of Indian automotive components in global exports stands lower as on date, indicating considerable scope for domestic manufacturers to expand their export share in the coming years as they expand into new geographies and widen their product offerings.

In the next five years as well, exports will be primarily driven by the United States of America heavy truck segment, and demand from other key destinations such as Italy, Turkey, and Brazil. The gradual shift of European countries to electric and hybrid cars could offer a huge opportunity for low-cost producing countries such as India in the electric parts segment.

Split by major auto component categories in value terms

Segment-wise production break-up in Fiscal 2022



Source: Automotive Component Manufacturers Association, CRISIL MI&A

The Indian auto component industry can be broadly classified into organised and unorganised sectors.

The organised sector caters to the demand for high-value precision instruments such as engine parts, and the unorganised sector to the aftermarket with low-value products such as switches.

Over the years, the industry has developed the capability to manufacture the entire range of auto components required for vehicle engine parts, which constitute 25% of production, mainly comprising pistons, engine valves, carburettors, fuel injection systems, camshafts, and crankshafts.

Suspension & braking: The segment includes components such as brakes, brake linings, leaf springs, and shock absorbers, which account for approximately 15% of the domestic auto component market. Brakes are one of the critical components in a vehicle. Increased focus of the government on vehicle safety has led to regulations making ABS and CBS mandatory across vehicle categories such as 2W, PVs and CVs.

Drive transmission & steering: Drive transmission parts, which constitute 14% of total production, include axle assembly, steering parts, and clutch assembly. The steering system industry is technology-and capital-intensive, which act as an entry barrier, especially for smaller players and the unorganised segment

Body and chassis: The segment is fragmented and dominated by the unorganised sector since it is not technology- or capital-intensive.

Electricals & electronics: It is one of the most dynamic segments because of constant evolution of technology. New cars have an increasingly higher proportion of electrical parts.

Exhaust management and cooling systems form the rest of the pie. The exhaust management system has gained more prominence due to stringent emission norms such as BS-VI.

Various automotive components produced by the Indian automotive components industry

Engine & engine parts	**Suspension & braking parts**	**Drive transmission & steering parts**	**Body and chassis**	**Electrical & electronics parts**	**Interiors (non-electronics)**	**Exhaust management and cooling systems**
Piston and piston parts	Suspension parts	Steering system	Sheet metal parts	Starter motors	Seating system	Exhaust pipes

Engine & engine parts	Suspension & braking parts	Drive transmission & steering parts	Body and chassis	Electrical & electronics parts	Interiors (non-electronics)	Exhaust management and cooling systems
Fuel injection equipment and carburettors	Braking parts	Axle assembly	Fuel tanks	Generators	Mirrors	Mufflers
Powertrain components (cylinder heads, cylinder blocks)		Clutch assembly	Plastic-moulded components	Alternators	Plastic-moulded components	Catalytic convertors
Engine cooling systems		Wheel and wheel rims	Rubber components	Flywheels	Rubber components	Radiators
Other powertrain components			Locks	Magnetos		Cooling fans
Engine bearings and valves			Ball and roller bearings	Distributors and regulators		
Exhaust systems						
Gaskets, liners, and filters						
Other engine parts						

Source: CRISIL MI&A

Future growth drivers

Demand-side factors

- Vehicle production across segments is likely to recover, supported by customer preference for personal mobility due to social distancing, vaccine availability, government focus on capital expenditure, and the resultant pickup in the economy.

- CRISIL MI&A expects almost all vehicle segments to log robust production growth between Fiscal 2022 and Fiscal 2027. Production of 2Ws, 3Ws, PVs and CVs are projected to grow at a CAGR of 10-12%, 12-14%, 10-12% and 11-13%, respectively, over the forecast period.

- Key macroeconomic trends are also likely to support demand for 2Ws, 3Ws, and PVs over the medium to long term. CRISIL MI&A expects urbanization to reach 37-38% by Fiscal 2027 from approximately 35% in 2020. India's per capita income is also projected to log a 6-7% CAGR between Fiscal 2022 and Fiscal 2027. These factors are likely to drive premiumization across vehicle segments.

- As of Fiscal 2020, India's population is among the youngest in the world, with a median age of 28 years. About 90% of Indians will be below the age of 60 by 2020. CRISIL MI&A forecasts that approximately 64% of them will be between 15 and 59 years by 2031.

- Infrastructure improvements are expected to support automobile demand on account of employment generation, and improved accessibility and mobility.

Supply-side factors

- The Indian automobile ancillary sector is transforming itself from a low-volume, highly fragmented sector into a competitive industry, backed by competitive strengths and technological improvements led by investments in research and development.

- The Indian automotive industry is characterised by strong competition among increasingly quality-conscious manufacturers. The large highly skilled but low-cost manufacturing base makes partnerships with overseas players attractive. These strengths, coupled with India's well-established strengths in IT and software, make the country an emerging player in this sector.

- The industry has been continuously upping its quality standards and developing new products to compete globally. Trade liberalization in western markets has led to the emergence of Asia as an export hub for Europe, and North and South America over the past decade. With supply-chain realignment, several countries (including India) are likely to emerge as global outsourcing hubs in the coming years.

- Many domestic manufacturers have successfully entered strategic alliances and collaborations, while others are actively testing waters. Many of the world's leading Tier 1 suppliers have set up manufacturing facilities in India, including Bosch, Delphi, Visteon, and Denso. Additionally, some suppliers already meet global technical and quality standards at the Tier 1 level. Some of India's leading OEM suppliers include TACO, Bharat Forge, Sundaram Clayton, and Sundaram Brake Linings.

- 2W automakers are introducing new models more frequently than ever before. This will also drive growth of the auto component industry as changes in the process of manufacturing and designing will support the pricing power of component manufacturers.

Policy support

Impact of BS-VI emission norms on the 2W and 3W auto component industry

The government proposed BS-VI standards for 2Ws and 3Ws in February 2016, skipping the BS-V stage. The proposed limits apply to new 2W models and all 3W models. These standards align with Euro five limits for these vehicles.

Implementation of BS-VI regulations is likely to help the auto component industry in terms of increased average realization for components supplied.

Production-Linked Incentive scheme

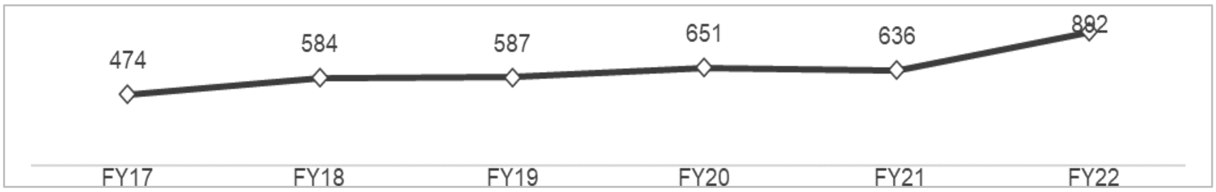
The government has budgeted approximately Rs 2 trillion as incentives for local manufacturing units covering 13 key sectors. These sectors include automobile, pharma, telecom, electronics, food, textiles, steel, and energy. By incentivizing production and a desired scale, the scheme aims to spawn a handful of globally competitive large-scale manufacturing units in these sectors. Furthermore, the government also hopes to reduce India's dependence on raw material imports from China. The scheme is expected to boost economic growth over the medium term and create more employment opportunities as many of these sectors are labor-intensive.

Sector	Segment	Budgeted (Rs billion)*	
Automobile	ACC battery	181.00	751.42
	Automobiles and auto components	570.42	

**Approved financial outlay over a 5-year period*
Source: Government websites, CRISIL MI&A

Auto component exports by value between Fiscal 2017 and Fiscal 2022

Auto component exports by value (Rs billion) between Fiscal 2017 and Fiscal 2022



E: Expected
Source: DGFT, CRISIL MI&A

India exports auto components mainly to North America and Europe (which together account for over 50% of exports). Sales of Class 8 trucks (largest class of trucks) plunged in Fiscal 2020 in the United States of America. The European Union also faced an economic slowdown and political uncertainty led by Brexit. India even exports to the Asian market, with about 20% of exports targeting these geographies.

In Fiscal 2021, exports dropped 2% on-year, as pandemic-led lockdowns led to a decline in vehicle usage and income levels, which lowered the demand for new vehicles. Exports witnessed significant growth in Fiscal 2022. Demand from North America and Europe surged by 48% and 37% on-year, respectively, in Fiscal 2022 over a low base. Export demand has shown a very strong recovery post easing of pandemic restrictions. However, demand from Europe has been under pressure due to recessionary fears and a global slowdown.

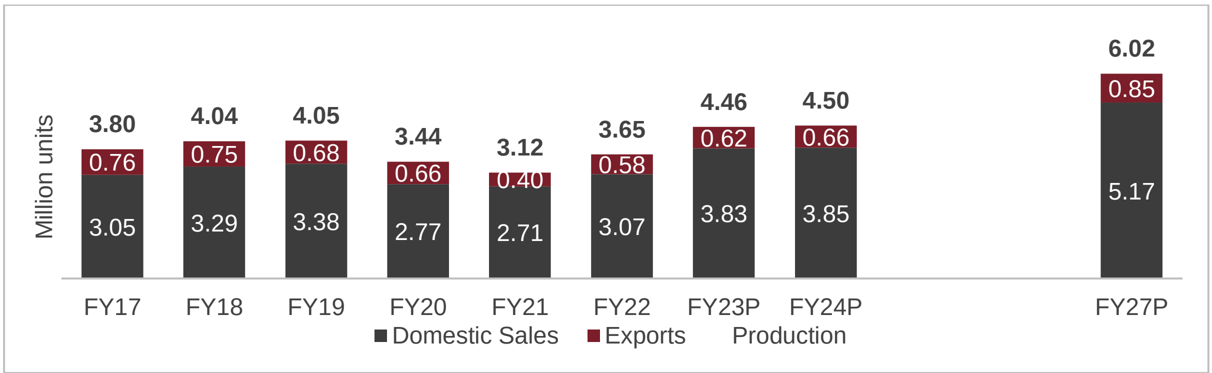
Review of and outlook on the Indian passenger vehicle industry between Fiscal 2017 and Fiscal 2027P

The Indian passenger vehicle market recorded domestic sales of 3.07 million units in Fiscal 2022, accounting for approximately 17% of the total market of 2Ws, 3Ws, passenger vehicles and commercial vehicles by volumes and approximately 67% in value terms at approximately Rs 3.321 trillion.

Production of PVs in India recorded a healthy 5.2% CAGR between Fiscal 2016 and Fiscal 2019 due to a spurt in domestic and export demand. Domestic demand was driven by expansion in the addressable market, development of infrastructure, and the stable cost of vehicle ownership, as crude oil prices remained low except in the few months when output was reduced due to sanctions imposed on Iran.

CRISIL MI&A estimates overall PV production to grow at a 10-12% CAGR from Fiscal 2022 to Fiscal 2027 to approximately 6 million units by Fiscal 2027. After a consecutive drop in production in Fiscal 2020 and Fiscal 2021, PV production is expected to increase at a robust pace over the next five Fiscals because of a spurt in domestic as well as export demand.

Review of and outlook on PV production



Source: SIAM - Society of Indian Automobile Manufacturers, CRISIL MI&A

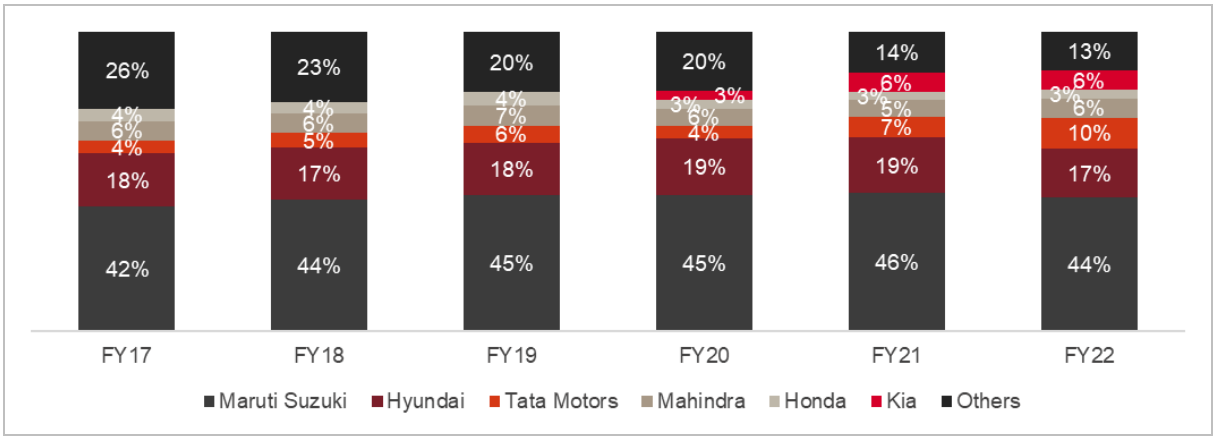
Domestic sales and exports

The Indian PV segment focuses on the domestic market, which accounted for over 80% of demand in Fiscal 2022. The ratio of exports-to-production for the industry has declined from 20% in Fiscal 2017 to 16% in Fiscal 2021. This can be attributed to muted exports due to a slowdown in the global automobile industry as well as major OEMs focusing on serving fast-growing domestic markets over foreign markets. In Fiscal 2020, this share had gone up to approximately 20% as OEMs enhanced their focus on export markets. Stagnating domestic traction in the past few years has resulted in foreign automobile manufacturers such as Ford, General Motors, and Volkswagen increasing their focus on exports, thereby improving utilisation by using spare capacity and boosting revenue. These players are developing India as an export hub, as evident from the consistent increase in the proportion of exports to their total production.

The domestic PV industry grew 6.6% between Fiscal 2016 and Fiscal 2019, led by strong growth in utility vehicles ("**UVs**"), which rose 14.9% versus cars, which grew 3.1% during the same period. An improving economic scenario, higher affordability, and new model launches drove demand during this period.

Domestic demand will be driven by an expansion in the addressable market, fast-paced infrastructure development and relatively stable cost of vehicle ownership, as crude oil prices are expected to stabilise at lower levels. The long-term outlook remains bright for exports as efforts to penetrate newer geographies bear fruit and schemes such as PLI incentivise players to tap exports. CRISIL MI&A forecasts exports to grow at a 7-9% CAGR between Fiscal 2022 and Fiscal 2027. Rising competition in Europe amid sluggish demand growth, however, will limit further growth. Moreover, penetration of electric and hybrid vehicles will be a key monitorable.

Production split by OEMs

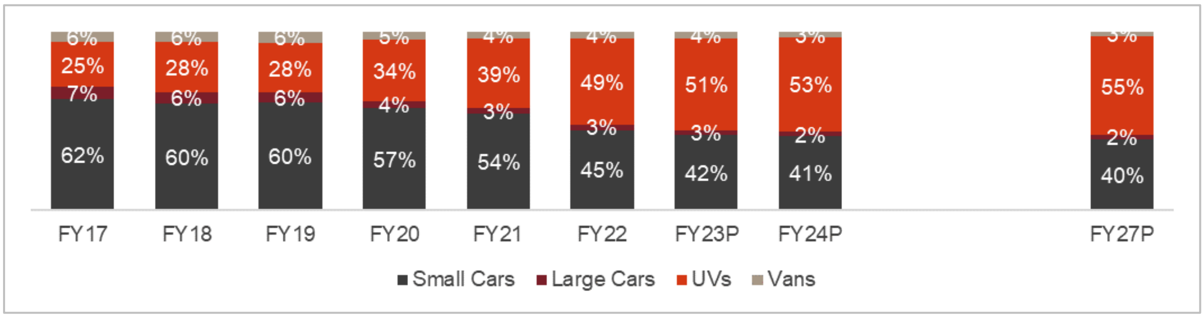


Note: Share of production is shown for OEM's which are part of SIAM
Source: SIAM- Society of Indian Automobile Manufacturers, CRISIL MI&A

Split of industry volume by PV segments

Small cars have a major share in total PV domestic volumes, as their lower ticket size makes them affordable to the average Indian consumer and ideal for first-time car buyers. The UV segment, which traditionally appealed to customers who valued larger seating capacity and ability to drive on rough rural roads, witnessed a major shift in customer preference with the launch of compact UVs. The size of the large car segment has gradually shrunk, mainly due to the shift in customer preference towards the SUV segment, fewer model launches and availability of high-end technology features in the SUV segment compared with the large car segment.

PV sales split by vehicle segments



Source: SIAM, CRISIL MI&A

Key historical regulatory and macroeconomic trends and growth drivers for domestic sales and exports

BS-IV to BS-VI transition

BS emission standards are issued by the government to regulate the output of air pollutants from motor vehicles. In January 2016, the central government decided to skip BS-V and shift directly to BS-VI norms. It fixed the deadline on April 1, 2020, for the introduction of BS-VI emission norms.

Because of technological advancements and stringent emission norms, companies are gradually shifting from traditional combustion engine offerings to plug-in hybrid, strong hybrid, fuel cell and pure EVs (battery EVs). In the case of PVs, specifically with respect to pure EV technology, in the absence of engine sounds, it is imperative that noise, vibration and harshness ("**NVH**") levels are low. To maintain safety and improve efficiency while keeping NVH levels low, there will be newer developments, including lightweighting and safety products.

Safety norms

The focus on road safety has seen a marked increase in the past few years, as evidenced by the number of safety norms introduced by the government. As per the Bharat New Vehicle Safety Assessment Programme commenced from October 2017, new cars sold in India need to go through mandatory crash testing and comply with voluntary star ratings based on results.

Another safety system includes a mandatory air bag for the driver. The government proposes mandatory airbags for the front passenger on all cars. For new models, the front passenger airbag was made mandatory from April 1, 2021, while for models being sold in the market, it was made mandatory from June 1, 2021, according to the notification issued by the government.

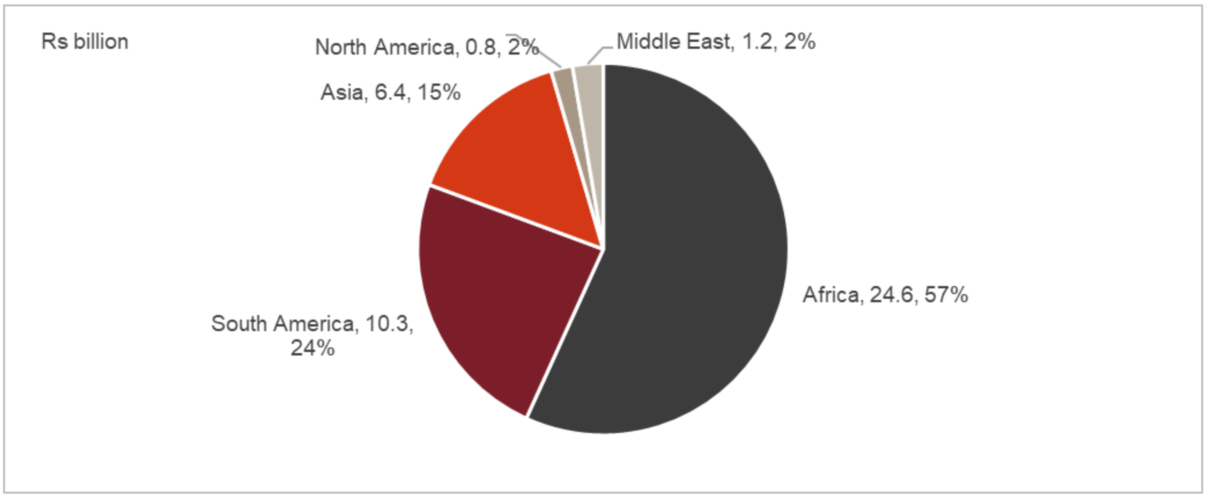
Some other safety measures:

- Seat-belt reminders.
- Alert systems for speeds beyond 80 kmph.
- Reverse parking alerts.
- Manual override over the central locking system for emergencies.

*Merchandise Exports from India Scheme ("**MEIS**") replaced by Remission of Duties or Taxes on Export Products ("**RoDTEP**") scheme*

The central government decided to discontinue the MEIS from January 1, 2021, as it was not compliant with World Trade Organization norms. Exporters were reimbursed the duty paid on inputs through the new RoDTEP scheme, which was notified on August 17, 2021. Rates for automobiles and auto components range between 0.5% and 2%.

Key export destinations (Fiscal 2023, April-November)



Source: DGFT, CRISIL MI&A

Exports to Africa and the Middle East increased approximately 48% to 59% of PV exports during April-November 2022. Exports to South Africa increased to 19% of export share in Fiscal 2022 from 9% in the pandemic-hit Fiscal 2021. South Africa has become the major export market, surpassing Mexico, due to higher demand for entry-level vehicles. Newer markets such as Saudi Arabia and the US have also seen increases.

Future growth drivers for the exports market

While predominantly a small-car exporter, India has strongly emerged as an exporter of midsize sedans and UVs with a growing acceptance of vehicles manufactured in India. As a percentage of overall exports, the cars segment share reduced to 67% in Fiscal 2022 from 80% in Fiscal 2017. Consequently, the share of UVs increased to 30% from 19%.

Latin America occupies the highest proportion in PV exports from India, followed by Africa. Indian OEMs have diversified their exports by exploring newer geographies. New markets such as Saudi Arabia, the United Arab Emirates and South Africa have shown significant demand growth.

Below factors are likely to support growth of PV exports from India:

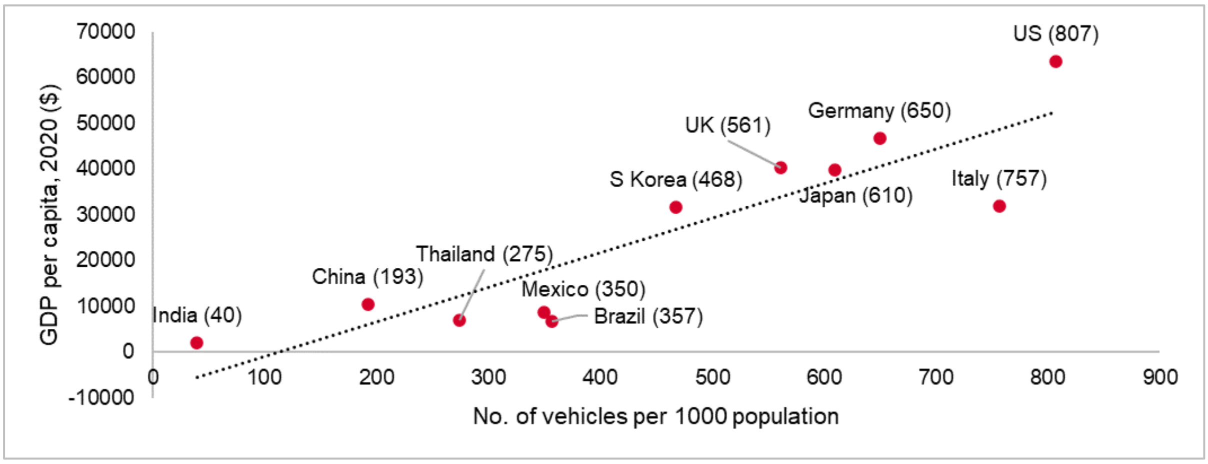
- Capacity expansion by top players.
- Stable crude oil prices to aid demand from African and Latin American geographies.
- Continued expansion into newer markets.
- PLI scheme.

Future growth drivers for the domestic market

Underpenetrated market presents significant growth opportunities for cars and UVs

India's car market is highly underpenetrated compared with that of most developed economies and some developing nations. As of Fiscal 2020, India had approximately 40 PVs per 1,000 people. This is significantly lower relative to developed nations and even other nations in the BRIC block (Brazil, Russia and China), based on per-capita GDP. Brazil, Russia and China had 357, 393 and 193 PVs, respectively, per 1,000 people in 2020. Thus, the country holds tremendous potential for automobile manufacturers. Also, comparing based on penetration of cars and UVs and per-capita GDP across countries, India still lags behind most countries and, as such, CRISIL MI&A expects the gap to reduce gradually in the long run.

Country-wise PV penetration



Note: Figures except for India are as of calendar year 2020. The dotted line indicates median. Figures in parentheses indicate passenger vehicles per 1,000 people
Source: World Road Statistics 2020, World Bank, CRISIL MI&A

Other factors that will drive growth in the domestic market include:

- Expected improvement in macroeconomic factors after subdued growth in Fiscal 2020 and a decline in Fiscal 2021.

- CRISIL MI&A expects India's GDP to grow 6.5-7% on average, annually, between Fiscal 2022 and Fiscal 2027, after estimated growth of 8.7% in Fiscal 2022.

- GDP growth will continue to be consumption-led, assuming normal monsoons, softer interest rates and inflation, and implementation of Pay Commission hikes by states, which will push up purchasing power.

- Anticipated improvement in rural demand.

  - Rise in finance penetration in the long term, as banks and NBFCs continue to focus on semi-rural and rural areas, will contribute to increased rural demand.

  - Rural infrastructure growth is expected to have a pronounced impact on rural incomes. Strong investments under infrastructure schemes will further boost rural infrastructure, with multiplier effects.

- Improvement in finance availability.

  - Given the industry's higher ticket sizes and better credit profiles of end-customers, finance penetration is higher in the PV industry compared with other automobile segments. CRISIL MI&A estimates finance penetration at 75-79% in Fiscal 2021 (as compared to 75% in Fiscal 2016).

  - Stringent credit norms and availability of credit information through CIBIL have helped players widen their customer bases. The industry has witnessed strong competition with new players (such as NBFCs) targeting those markets that banks exited, and captive NBFCs (operated by 2W manufacturers) largely focusing on non-metros.

- Finance penetration is expected to deepen going forward, as:

  - more customers come under the formal financial services fold;

  - banks increase their focus on the retail segment; and

  - banks start waving off processing fees and pre-payment charges (especially during festival seasons), which will make financing option more lucrative for customers.

- Enhanced product offerings.

  - New models launched by manufacturers.

  - Increase in offerings because of new entrants such as Kia Motors and MG Motors.

Apart from rising sales of existing models, sales of new models have supported overall industry growth in the past few years. Most of the models are in the UV segment, leading to its growth.

Impact of regulatory changes on domestic PV sales

*Impact of Corporate Average Fuel Efficiency ("**CAFE**") norms*

The Paris Agreement, effective November 2016, and ratified by India, set the objective to limit the global temperature rise this century well below 2°C over pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. The greenhouse gas emissions reduction that would be compatible with this target would require a significant increase in the share of zero or low-emission vehicles over the coming years. These regulations, combined with growing environmental and sustainability consciousness of the population, will lead to a major transformation of the global auto industry, from internal combustion engine to green mobility technologies (such as hybrid vehicles, BEVs, fuel cell vehicles and alternative-fuel vehicles).

Fuel consumption standards for Indian vehicles came into force in India in April 2017 for petrol, diesel, liquefied petroleum gas and compressed natural gas ("**CNG**") PVs. These standards are based on the CAFE system and target to bring about improvement in fuel consumption of PVs, supporting a continuous reduction in CO2 emissions through CAFE regulations.

These regulations came into force from April 1, 2017, with the introduction of BS-IV emission norms. It was decided that the highest permissible carbon footprint would be 130 gm/km till 2022. Thereafter, it would be further reduced to 113 gm/km. This is expected to incentivize the shift towards greener technologies such as hybrids and EVs.

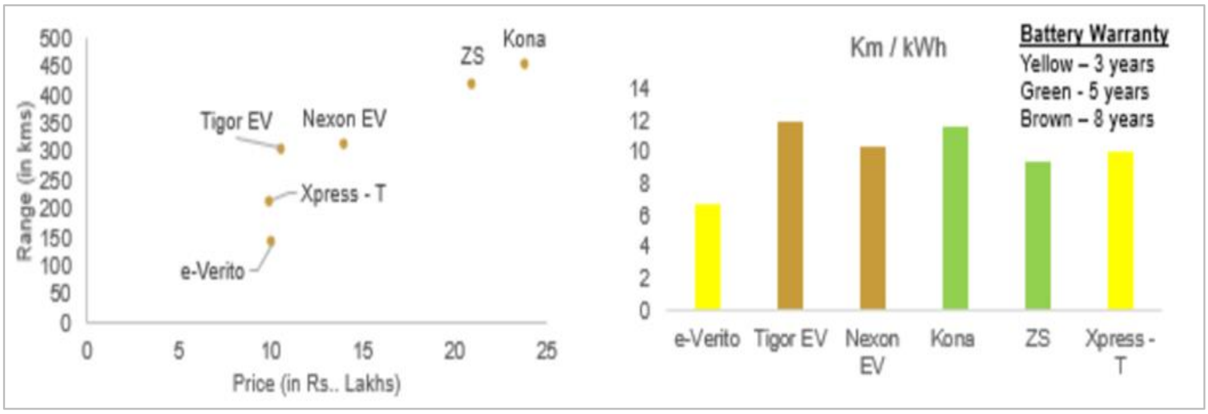
Upcoming regulatory changes and safety norms

The Indian PV industry has seen a host of safety and regulatory changes in the past 3-5 years. Implementation of CAFE norms will further aid in cleaner fuel emission. The government is considering making ESC and AEB mandatory on all models by 2023.

Penetration of electric PVs as of Fiscal 2022

EV penetration in the PV category was just 0.6% in Fiscal 2022, due to the unavailability of affordable electric cars and charging stations leading to range anxiety. Overall, EV retail sales stood at 20,525 in Fiscal 2022.

EV models currently available



Source: CRISIL MI&A

Estimated penetration of electric PVs

Regulatory roadmap key for rise of electric mobility in India

The United States of America and China are seeing an acceleration in sales of electric and hybrid cars, as most major global OEMs have one or more such models in their portfolios. With more model launches by OEMs, issues of range anxiety being addressed and declining battery prices, CRISIL MI&A expects EV volume to grow at a fast pace globally.

Currently, in India, the charging infrastructure required for EVs is not in place. With the Indian automobile industry seeing a slew of regulations and norms over the past few years, OEMs are skeptical about investing in EV manufacturing here.

The implementation of the National Electric Mobility Mission Plan 2020 is a key monitorable for the sector over the next five years.

Other policy initiatives by the government to address infrastructure-related issues

Policy initiatives	Features
FAME II	The policy, with Rs 100 billion earmarked, aims to provide a subsidy of Rs 10,000 per kWh to 4Ws (BEV, PHEV, strong hybrid) for commercial purpose and public transport. It also mandates the minimum range to be approximately 140 km and maximum ex-factory price to be approximately Rs 1.5 million. It envisions creation of infrastructure for charging of EVs. CRISIL MI&A expects the initial adoption rate to be high among cab aggregators.
EV policy	Delhi has announced an EV policy that would provide purchase incentives of up to Rs 0.15 million for the first 1,000 electric cars. The benefit would be provided in addition to FAME II policy benefits.
Tax and fee exemption	The Telangana government is providing 100% exemption on road tax and registration fee on purchase of the first 5,000 electric cars.
Tax exemption for battery-operated vehicles	The Tamil Nadu government is providing 100% tax exemption for battery-operated vehicles.

Such regional push will further accelerate the adoption of EVs. Individual taxpayers are allowed to avail a deduction for interest payments up to Rs 150,000 towards EVs under Section 80EEB. The benefit is available on EV loans sanctioned between April 1, 2019 and March 31, 2023. Such favourable tax laws are expected to encourage EV adoption for personal mobility.

The government is also considering the establishment of a 40-gigawatt battery manufacturing plant to boost EV and renewable energy initiatives. However, for any path-breaking changes to happen in the EV market, OEMs need to make more investments, and the government should devise clear policies. Among the challenges, infrastructure shortage needs to be resolved urgently.

Electric PVs to account for 6-8% of domestic sales by Fiscal 2027

The FAME II subsidy is incentivised only towards commercial use, and no benefits are provided to personal-car owners. CRISIL MI&A has analysed the ownership cost of an electric passenger car versus petrol, diesel and CNG variants for cab aggregators and for personal segments.

As of Fiscal 2022, the total cost of acquisition ("**TCA**") of an EV for a cab aggregator was approximately 17% higher than that of a diesel vehicle, 26% higher than a petrol vehicle, and approximately 16% higher than a CNG variant. In Fiscal 2027, CRISIL expects the TCA of EVs to be lower than that of diesel and petrol variants, but higher than that of a CNG variant. On the other hand, the TCO of EVs in Fiscal 2022 was lower than that of petrol and diesel vehicles by approximately 29% and approximately 19%, respectively, and higher than that of a CNG variant by approximately 13%, attributable to the higher running of a commercial passenger vehicle and high fossil fuel prices. CRISIL expects the TCO of EVs to decrease further by Fiscal 2027.

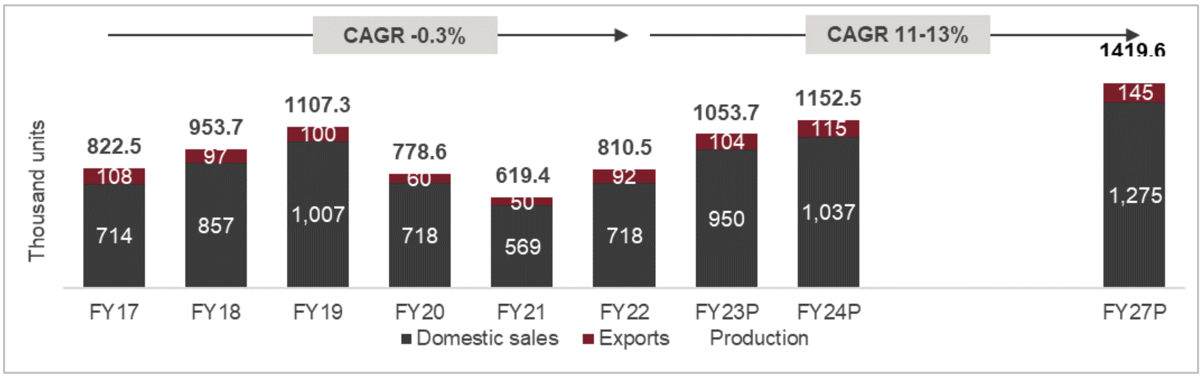
The lower battery cost (due to expected localisation led by the phased manufacturing programme or PMP) is expected to offset the lack of FAME subsidy and will help maintain the competitiveness of BEVs against diesel and CNG variants for cab aggregators in the long run. Currently, a limited number of charging stations, range anxiety and lack of large OEM presence are hindering EV adoption. The taxi segment accounts for 10-15% of sales within passenger cars, and within the taxi segment, cab aggregators are expected to lead the adoption of EVs (an estimated 25-31% adoption by Fiscal 2027, considering that adequate infrastructure is available by then).

As of Fiscal 2022, the TCA for EVs in the personal vehicles segment was lower than that for diesel, petrol and CNG variants by approximately 24%, 4% and 0%, respectively. In Fiscal 2027, CRISIL expects the economics to remain the same – TCA of EVs is expected to be lower than that of diesel and petrol vehicles, but higher than petrol and CNG variants. This is due to lower registration charges for EVs amid high loan-to-value ratios. On the other hand, the TCO of EVs in Fiscal 2022 was 20-30% higher than that of all three variants. In Fiscal 2027, CRISIL expects the economics to again remain the same – TCO of EVs is expected be lower than that of all three variants by 10-20%. However, despite not-so-favourable cost economics, higher adoption has been witnessed initially by environment-conscious buyers. Accordingly, CRISIL expects EV penetration in this segment to reach 6-8% by Fiscal 2027.

Review of and outlook on the Indian CV industry between Fiscal 2017 and Fiscal 2027P

The Indian CV market recorded domestic sales of 0.7 million units in Fiscal 2022, contributing to approximately 4% of the total market of 2Ws, 3Ws, PVs and CVs by volume and approximately 20% in value terms at approximately Rs 977 billion.

CV production development between Fiscal 2017 and Fiscal 2027P



Source: SIAM and CRISIL MI&A

Overall, CV production showed a marginal decline of 0.3% CAGR between Fiscal 2017 and Fiscal 2022. Between Fiscal 2016 and Fiscal 2019, production logged 12.3% CAGR, driven by pick-up in rural and industrial activity, and the government's focus on infrastructure investment. A large portion of the production increase was on the back of robust demand for goods carriers, which clocked 14.1% CAGR. Passenger carrier production, though, declined by 1.7% CAGR.

Projected split by domestic sales and exports

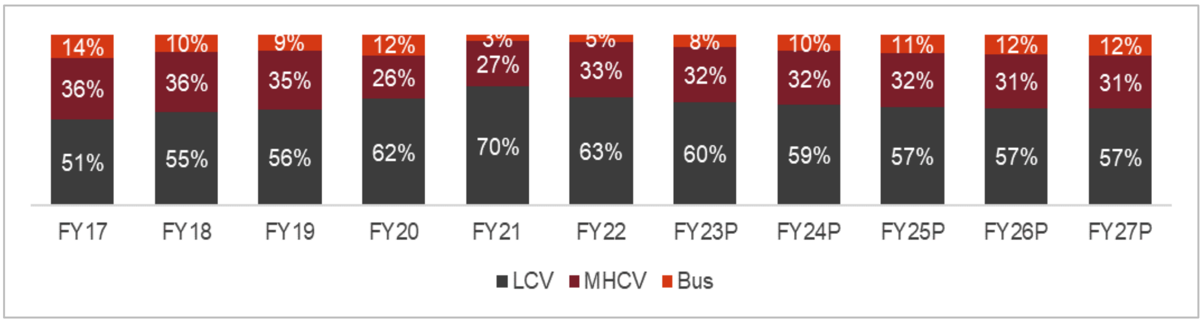
The Indian CV industry is expected to remain domestic-focused, with domestic sales comprising more than 85% share of production even in Fiscal 2027. However, with exports projected to log 8-10% CAGR between Fiscal 2022 and Fiscal 2027, their contribution in overall production is likely to remain equal to Fiscal 2022 levels.

CRISIL MI&A expects domestic sales of CVs to clock 11-13% CAGR between Fiscal 2022 and Fiscal 2027, aided by healthy industrial growth, focus on infrastructure, and higher mining production. CV sales plummeted approximately 29% in Fiscal 2020 and further by approximately 21% in Fiscal 2021. The fall in sales created a low base, over which volume grew approximately 26% in Fiscal 2022. On analyzing the past five year rolling CAGR of domestic CV sales, despite a low base, the five-year CAGR between Fiscal 2022 and Fiscal 2027 will be similar to previous peaks. Tonnage growth will be marginally higher than volume growth as preference for higher tonnage vehicles is increasing among transporters.

On the exports front, manufacturers are directing their investments into expanding presence to other Asian countries from neighboring countries such as Bangladesh, Nepal and Sri Lanka and to Africa and the Middle East. Domestic players are also considering setting up assembly operations across multiple markets. Moreover, going forward, new product line-ups and technology upgradation will allow domestic players to enter relatively advanced markets of Southeast Asia. Consultations with the Sri Lankan government is likely to open the market again gradually for Indian exports soon.

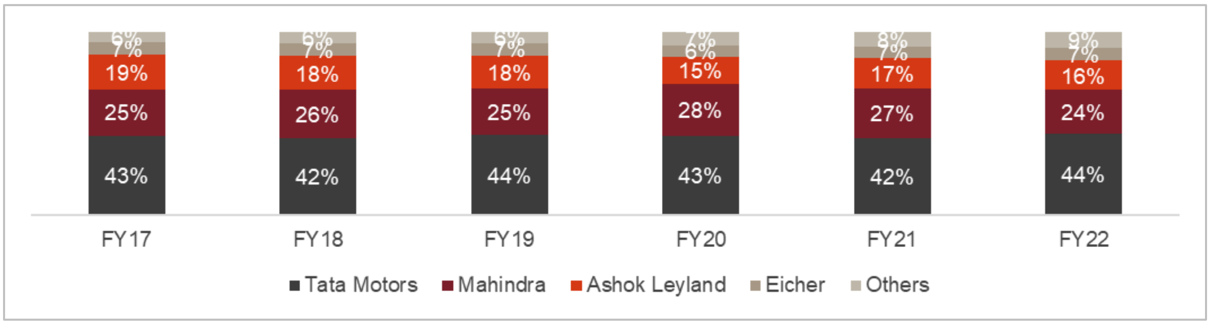
Split by CV categories

CV segment-wise domestic sales



Note: Share of production is shown for OEM's which are part of SIAM
*Note: LCV includes vehicles with gross vehicle weight ("**GVW**") of less than or equal to 7.5 tonne; MHCV includes vehicles with GVW greater than 7.5 tonne*

Production split by OEMs

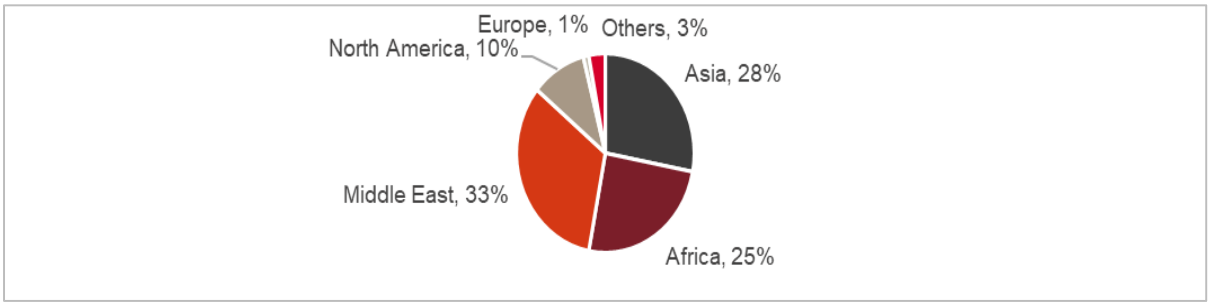


Source: SIAM, CRISIL MI&A

Historically, the domestic CV industry has been dominated by three players: Tata Motors, Mahindra & Mahindra, and Ashok Leyland (market shares of approximately 44%, 24% and 16%, respectively, in Fiscal 2022). Among these players, market shares in different CV segments vary over time. A major reason for this is the fact that setting up a CV manufacturing facility requires high capital investment.

Over the last few years, leading CV manufacturers have significantly enhanced focus on technological innovations to develop the next generation of trucks and buses that have superior technology, conform to international standards and emission norms, and can compete with products from leading international CV manufacturers (thereby boosting exports).

Key export destinations Fiscal 2023, April-November



Source: DGFT, CRISIL MI&A

Neighbouring countries Nepal and Bangladesh continue to dominate Indian exports, with Asia contributing approximately 28% in Fiscal 2023 (April-November). Bangladesh has become the second largest market following Saudi Arabia during the same period and South Africa accounted for approximately 10% of India's exports (as compared to 8% in Fiscal 2022) and Saudi Arabia for approximately 21% (as compared to 13% in Fiscal 2022).

Key trends and developments affecting CV demand

- *Fillip to industrial output*: CRISIL MI&A expects industrial GVA to bounce back strongly and log approximately 6.3% CAGR between Fiscal 2022 and Fiscal 2026, driven by the government's focus on "Make in India" and growth in consumption, particularly led by growth in rural incomes. Also, coal production to clock approximately 6% CAGR between Fiscal 2019 and Fiscal 2024, driven by rising demand for electricity and the onset of commercial mining. Meanwhile, iron ore mining will also likely grow at a healthy pace during this period, aiding tipper demand.

- *Government's focus on infrastructure*: The National Infrastructure Pipeline ("**NIP**") proposes to spend Rs 111 trillion of capital expenditure on infrastructure sectors in India between Fiscal 2020 and Fiscal 2025. Power, roads and bridges, urban infrastructure, digital infrastructure, and railways together constituted over 85% of total infrastructure investment. Of the total NIP investment of Rs 111 trillion, 40% worth of projects are under implementation, 30% at the conceptualization stage, and 20% under development. Almost 83% of project allocation indirectly benefits the CV sector in India, and this push for infrastructure is a major driver of growth.

- *Scrappage policy*: MoRTH, in August 2018, considered incentivizing the scrapping of vehicles sold before April 2005 (15 years old). After deliberations on the modalities on implementation of the norm, the government currently aims to promote vehicle scrapping by exempting registration charges for truck purchases made after scrapping older trucks.

- *Commissioning of DFC to affect road freight and CV sales*: The DFC is intended to help the Indian Railways regain lost freight share by cutting turnaround times between importing and consuming destinations, compelling several industries to realign their logistics strategies. Not only will the DFC bring about faster freight movement, but it will also aid the economy by decongesting major highways due to the increased shifting of freight to rail. It will also allow for faster evacuation of cargo from ports, improving efficiency. Thus, roads, which have outperformed rail over the past decade, will lose some share to rail once the DFC is commissioned.

- *Demand for goods carrying MHCVs to lead in the next five years*: MHCV sales are likely to log 9-11% CAGR, over a low base, between Fiscal 2022 and Fiscal 2027 Factors driving long-term MHCV sales comprise improving industrial activity in the country, steady agricultural output, and the government's focus on infrastructure. However, volume growth will be limited due to efficiencies achieved from GST, better road infrastructure, and commissioning of the DFC.

- *LCV sales to grow at a modest pace in the long run*: LCV demand is expected to clock 8-10% CAGR between Fiscal 2022 and Fiscal 2027, due to higher private consumption, lower penetration, greater availability of redistribution freight, and improved finance. Improving volume of LCVs up for replacement in the terminal years would aid demand growth.

Key upcoming regulations

BS-VI phase 2 norms

BS-VI phase 2 is expected to be implemented from April 2023 and will entail addition of an on-board self-diagnostic device ("**OBD2**") to monitor emissions in real-time. The addition of OBD2 will also require upgrades to the hardware and software of the vehicles to comply with the new norms - this is expected to result in a price hike of 2-4%, as per CRISIL's interactions with industry stakeholders.

New axle load norms

MoRTH has notified new axle load norms for CVs, which allow for an increase in the load-bearing capacity of trucks. The new axle load norms will be applicable to the entire fleet of freight-moving trucks - called the "population parc".

Truck body code

With standardization in truck body building, there was consolidation among truck body builders as small players found it difficult to meet the testing requirements. With standardization, financiers are believed to have been more willing to fund the generally unsupported body building cost. This is estimated to have reduced the initial down payment, minimising the impact of the 5% rise in the cost of ownership.

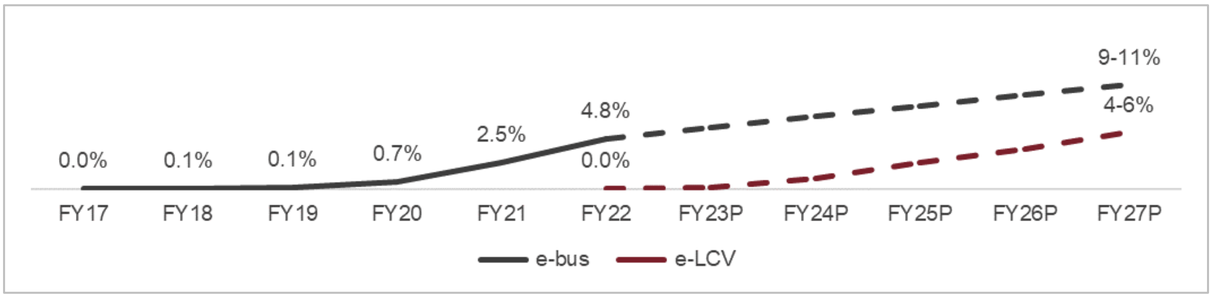
Fuel efficiency norms likely to be enforced by April 2023

To make heavy-duty trucks and buses more fuel efficient, the Ministry of Petroleum and Natural Gas, MoRTH, and the Ministry of Heavy Industries are in talks to notify fuel efficiency norms. As per a draft notification by MoRTH, fuel efficiency norms are likely to be enforced from April 2023. Based on talks with various stakeholders, BS-IV compliant diesel vehicles of categories M3 and N3, with GVW of 12T and above, will have to comply with these norms. Vehicles are expected to meet the "target diesel fuel consumption" value for a specific set of speeds, which is dependent on the vehicle's GVW, axle configuration, and category (N3/M3).

Electrification in CVs

Electrification in the overall CV segment is expected to reach 5-7% by Fiscal 2027, driven by electrification in LCVs and buses at 7-9% and 10-11%, respectively.

EV penetration in CVs



Source: SIAM, CRISIL MI&A

Electrification in PVs (buses)

Due to government support through FAME and focus on quicker adoption of EVs in public transport, e-bus sales have surged in the last couple of years. The operational profile of buses with fixed routes and regular stops makes them suitable for charging at pre-determined intervals and specific locations.

There could be some minor penetration of EVs in ICVs going forward; however, with respect to MCVs and MAVs, CRISILexpects the dominance of diesel fuel to continue with LNG making some inroads. The electric bus segment is expected to grow at a CAGR of 58% to 60% between Fiscal 2022 and Fiscal 2027, to reach more than 16,000 units in sales

Review of and outlook on the global power tools industry between 2017 and 2027P

Power tools are devices that operate on an additional source of power apart from manual labour. Electric motors, internal combustion engines and compressed air (pneumatic) are the most used power sources. Compared with conventional hand tools that solely depend on manual labour, power tools are more time-efficient and precise. Power tools make heavy-load tasks easier and more efficient.

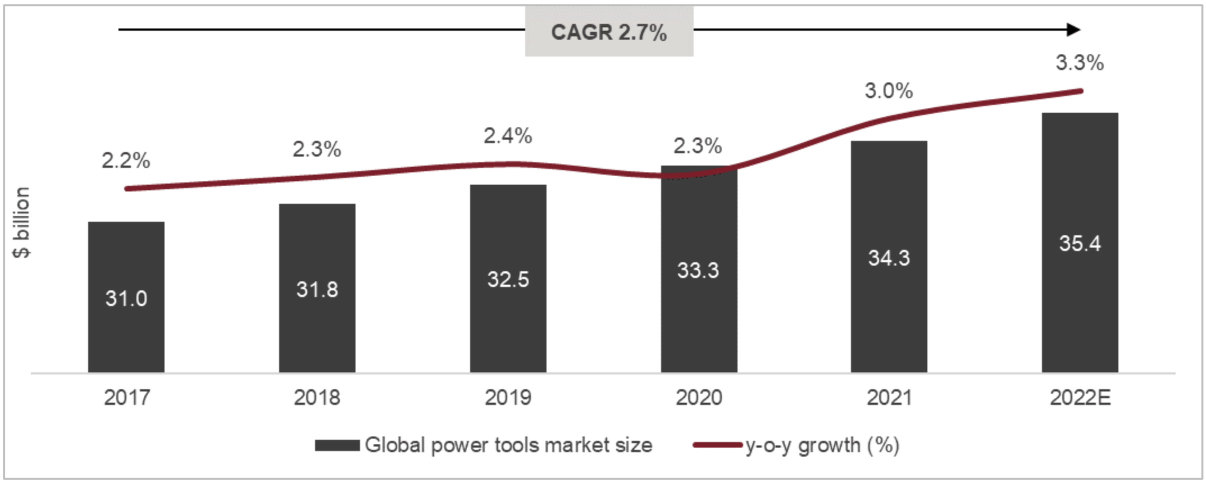
Power tools typically include power drills, impact wrenches, hammers, saws, routers and grinders, which are used in the construction, automotive, aerospace, shipbuilding and other industries. They are also used in the residential environment for home repairs and do-it-yourself ("**DIY**") projects.

Power drills are used for boring holes, driving screws, and electrical fittings, among other tasks, while impact wrenches are heavy-duty fastening devices used extensively in repairs, equipment maintenance and product assembly. Hammers are used in carpentry, framing, nail pulling, riveting, bending and shaping metal. Saws, which consist of a tough blade, wire, or chain with a hard-toothed edge, are used to cut through material. Routers are used to rout out an area from hard materials such as plastic or wood to make patterns and grooves. They are portable electric power tools mainly used in carpentry, with a flat base and a rotating blade extending past the base. Grinders, as the name suggests, can grind metal, and cut tile, stucco and pavers, and can also be used for deburring, finishing and polishing.

Review of the global power tool market size between 2017 and 2022

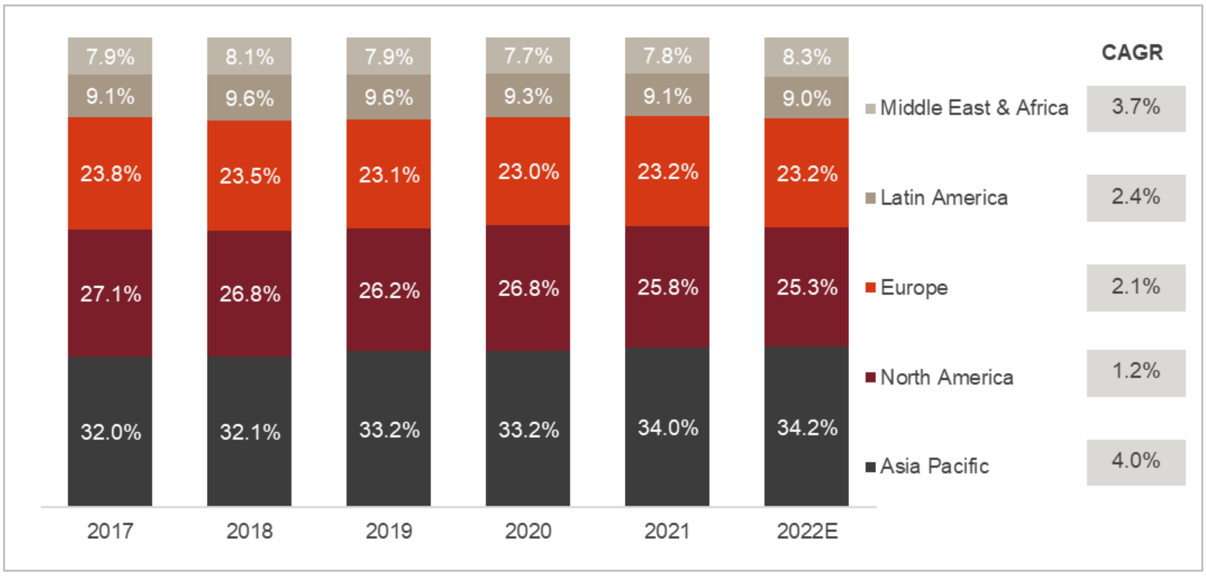
Techtronic Industries, Stanley Black & Decker, Robert Bosch Tool Corporation, Apex Tool Group, Atlas Copco, Emerson Electric, Hilti Corporation, Ingersoll Rand, Koki Holdings, and Makita Corporation are some of the key players in the industry.

Global power tools market size between 2017 and 2022



E: Estimated
Source: Power Tool Institute, ConstructConnect, US Census Bureau, UNComtrade, National Bureau of Statistics of China, ITC, Company Reports

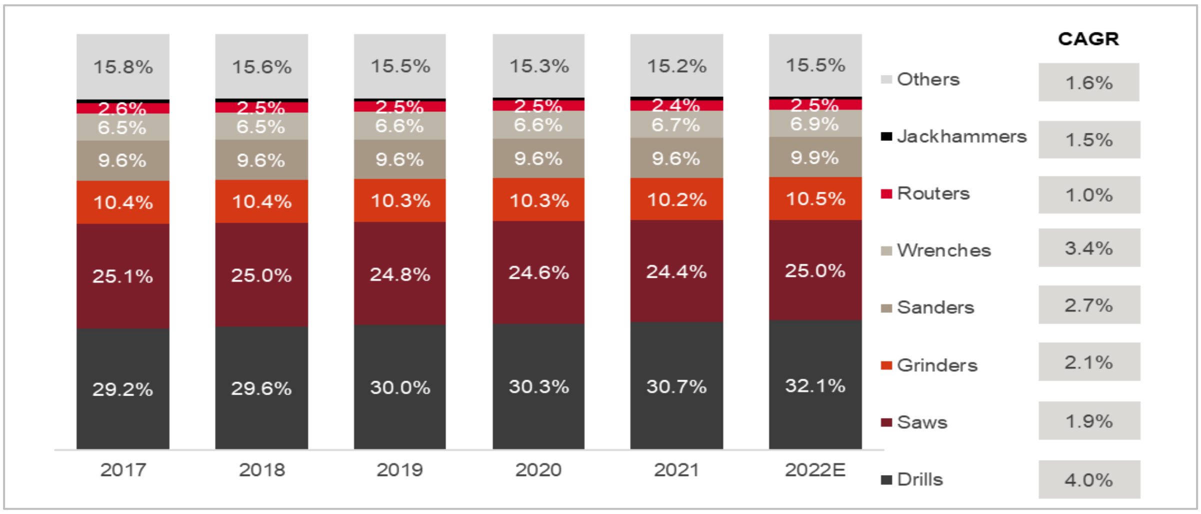
Share of key regions in the total global power-tools market between 2017 and 2022



E: Estimated

Source: Power Tool Institute, ConstructConnect, US Census Bureau, UNComtrade, National Bureau of Statistics of China, ITC, Company Reports

Share of product types in the global power tools market between 2017 and 2022

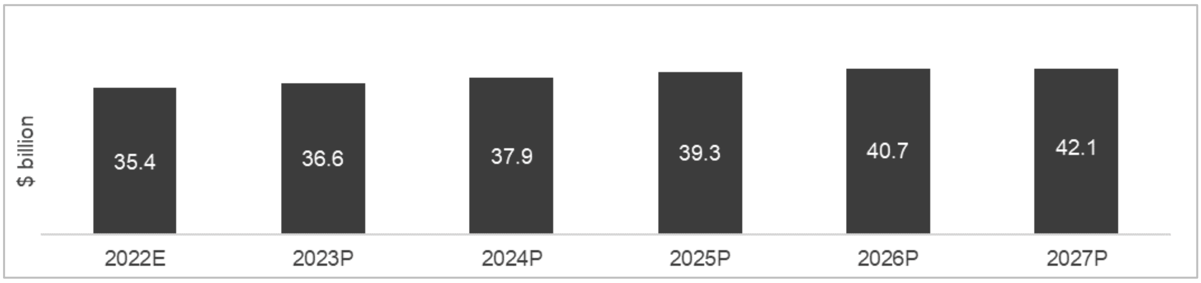


E: Estimated

Source: Power Tool Institute, ConstructConnect, US Census Bureau, UNComtrade, National Bureau of Statistics of China, ITC, Company Reports

Outlook on the global power tool market size between 2022 and 2027P

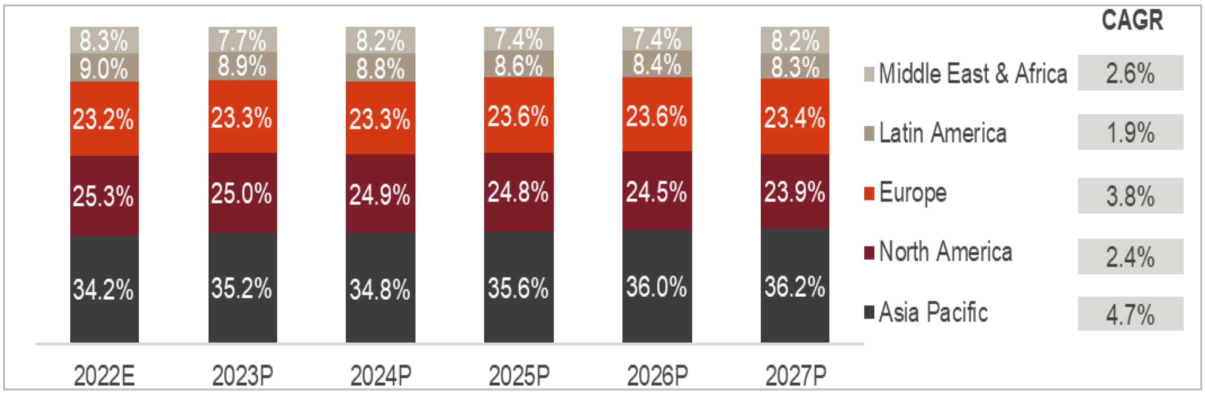
Outlook on the global power tool market size between 2022 and 2027P



E: Estimated; P: Projected

Source: Crisil MI&A, Power Tool Institute, ConstructConnect, US Census Bureau, UNComtrade, National Bureau of Statistics of China, ITC, Company Reports

Share of key regions in the total global power tools market between 2022 and 2027P



E: Estimated; P: Projected

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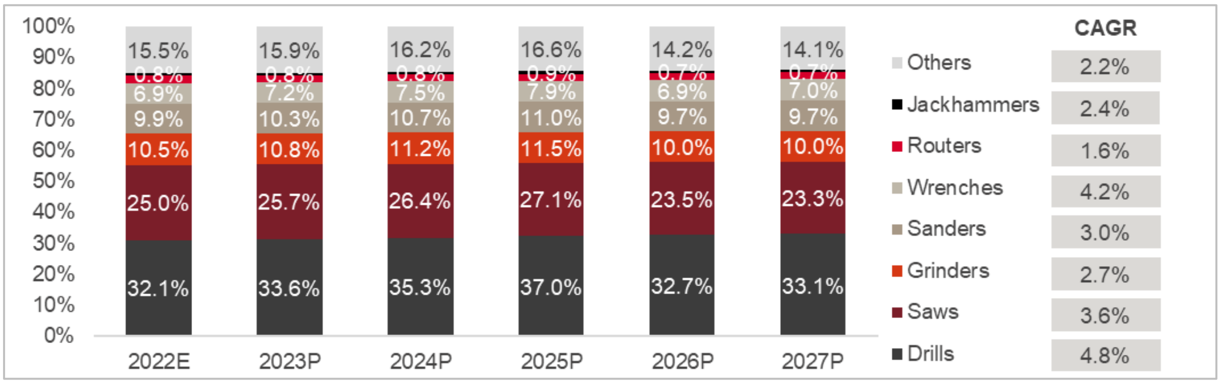
Share of product types in the global power-tools market between 2022 and 2027P



E: Estimated; P: Projected
Source: Crisil MI&A, Power Tool Institute, ConstructConnect, US Census Bureau, UNComtrade, National Bureau of Statistics of China, ITC, Company Reports

Key growth drivers and challenges

Growth drivers

- Infrastructure growth, especially in emerging economies such as China and India, is a major driver of power tools market globally. The rise in labour costs in these markets is also expected to increase demand for efficiency-boosting power tools.

- Technological advancement is a major growth driver. The popularity of cordless power tools is rising since battery-operated hammer drills, impact wrenches, circular saws, among others, are being used more often in construction, metal working, and repair and maintenance. Consequently, the advances in battery technology are also driving the industry to a large extent. Growing demand for smart power tools with wireless connectivity is also set to pick up in the coming years.

- Changing customer behavior in favor of DIY bodes well for the power tools market. The constant innovation in product design and safety features such as ease-of-use, ergonomic designs, safety, portability and multi-purpose machines would encourage adoption by domestic users. This segment would contribute to considerable growth since products are becoming more affordable and have better features.

Challenges

- High initial prices of power tools are a major challenge in their adoption. Power tools feature various electronic components and assemblies. While technological advancements have improved their functionality, their prices also tend to be higher than those of conventional power tools.

- Alternative affordable choices, such as leasing in developing economies, also pose a challenge to the growth of the power tools market.

- Power tools are precision instruments, making their maintenance costs high. The large number of moving parts in these tools leads to wear and tear depending on the usage, and they need periodic recalibration. Repair of excessive wear and tear could even cost more than 50% of the replacement value of the products.

- Lack of awareness about many of these tools, their functions and technological advancements in the field also hinders market penetration to an extent.

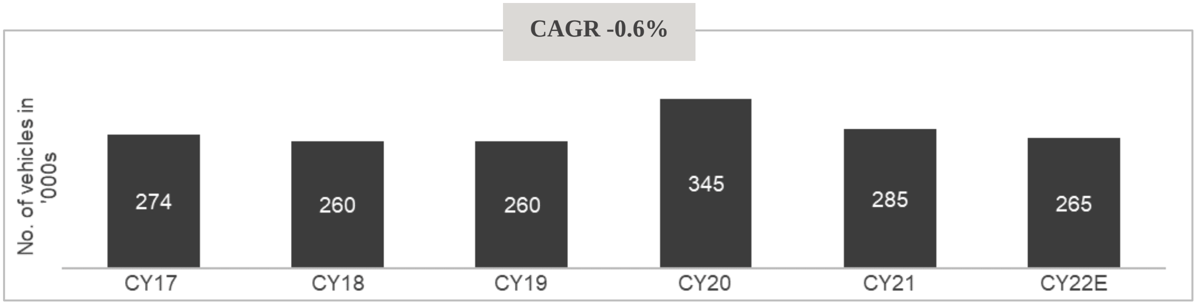
Review of and outlook on the global ATV industry between Fiscal 2017 and Fiscal 2027P

Honda introduced all-terrain vehicles ("**ATVs**") in the United States of America in 1971. Given a booming market, several players such as Yamaha, Kawasaki, Bombardier and Polaris also entered the ATV market. The market in the United States of America accounts for over 50% of worldwide ATV demand due to its large stretches of natural terrain, unpaved roads, and large ranches and farms.

The most popular ATV use is for general recreation, followed by farming and ranching, hunting and fishing, hauling and towing, transportation, and commercial use.

The rise of ATV training centres has also boosted acceptance of these vehicles among adventure seekers.

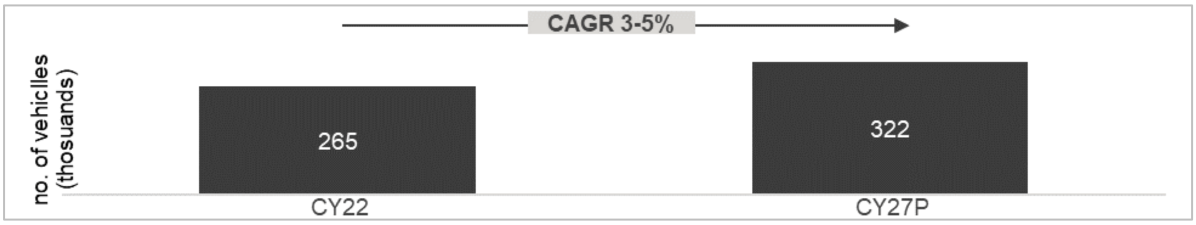
ATV sales development in the United States of America between 2017 and 2022



E: Estimated
Source: CRISIL MI&A, company reports

Outlook on ATV sales

US ATV sales outlook between 2022 and 2027P



Source – CRISIL MI&A, Company Reports

Factors such as a growing interest in recreational activities, worldwide championships, construction of dedicated trails for ATVs, increased acceptance in military applications, and increased safety requirements are likely to increase the demand of ATVs in the United States of America. On the base of 2022, ATV sales are projected to grow at a moderate 3-5% CAGR till 2027. More than four-wheeled ATVs are projected to be the fastest-growing segment in the ATV market by 2027. A growing number of ATV buyers are looking for more than four-wheeled ATVs, especially in military and agricultural applications.

Market sizing and outlook on specific auto components

Overview of the auto component segments

The specific auto component segment includes advanced braking systems, aluminium light weighting precision solutions and safety control cables.

The advanced braking systems segment includes brake panel assembly, brake shoe, disc brake pad ("**DBP**"), brake lining, and mission case.

The aluminium light weighting solutions segment can be further segmented into various divisions including engine parts, body and chassis parts, transmission parts, electrical and electronic parts, and EV-specific components. The engine parts division includes crankcase, crankcase cover, filter housing, cylinder block, throttle body, and engine cover. The body and chassis division includes pillion grip, footrest, holder, speedometer housing, wiper housing, and hub. The transmission division includes flange final driven. The electrical and electronic division includes ECU plate and ECU heat sink. The EV-specific division includes wheel pulley, motor housing and battery housing.

The safety control cables segment includes choke cable, clutch cable, front brake cable, rear brake cable, speedometer cable, throttle cable, seat lock cable and fuel cable.

Advanced braking systems

The braking system is one of the most critical parts in a vehicle considering the safety involved. Braking solutions are increasing in importance and complexity with vehicle speed increasing given more powerful vehicles being introduced along with development in road infrastructure. Concurrently, the growing safety standards have also made these improvements essential. An effective braking system is needed to accomplish the task of stopping the vehicles at higher speeds while also ensuring higher life and lower noise. Current generation vehicles use disc brakes and drum brakes or a combination of the two to accomplish this task. In the case of 2Ws and CVs, drum brakes constitute the majority of the application whereas disc brakes are prevailing in PVs. The growing need of safety systems in automotives will increase demand for efficient automotive brake components such as, brake shoes, brake pads, brake liners, brake calipers and brake panel assembly.

On a traditional braking system using only disc and/or drum, the energy is lost in the form of heat during braking. Many EVs and hybrid vehicles have regenerative braking systems where a part of energy typically lost in the traditional friction braking system when slowing down a vehicle can be recovered and stored in batteries in the vehicle to be used later. The system wastes less energy than it would with friction braking. Such a braking system offers less wear and tear on the brakes, extending the life of braking systems. Even though regenerative braking is available, EVs and hybrids are equipped with conventional brakes which must meet the same stringent criteria required of a safety system in traditional ICE vehicles. Also, during hard braking the disc and/or drum brakes play a critical role in stopping power of a vehicle.

Braking being a critical component of automotive systems due to their importance to road safety, have high entry barriers as these components are developed using proprietary material formulations, require technological prowess, manufacturing knowhow and R&D to develop products that are effective and economical. The materials used for producing the abrasive braking material such as brake linings used in brake shoes and brake pads have evolved over time from simpler asbestos-based materials to high-tech products made of semi-metallic, steel, and ceramic products for high end vehicles. The auto-components industry is capital-intensive in nature, coupled with heavy dependence on complex technology, machinery and systems make it difficult for new entrants to encroach upon, due to its high entry barriers. General competitive factors in the market, which may affect the level of competition over the short and medium term, include vulnerability to overall macroeconomic factors, time to market for new products, product features, safety, design, quality, price, and relationships between producers and their customers.

Given their criticality to automotive systems, a high level of accuracy and adherence to high safety standards is also required. This necessitates coordination between component manufacturers and OEMs throughout the product cycle from design to testing, validation to delivery. As a result, OEMs typically have an extensive and detailed vendor approval process and generally have long gestation periods to onboard a new supplier. The significant time and effort in the approval process results in OEMs typically preferring not to switch vendors unless there have been specific quality and cost issues.

Key players in the automotive braking solutions market are ASK Automotive Limited, Brakes India, Allied Nippon, and Rane Brake Lining.

Drum brake assembly and disc brake assembly

Drum brake panel assembly: The brake panel assembly is an assembly of duly machined and painted casted panel, brake shoe and child parts (arm, lever and spring). Panel casting is manufactured on high pressure die casting machines wherein molten aluminium alloy is used as input. The brake drums rotate with the wheels and there are brake shoes inside each drum. On braking, the lever actuates through the brake cable to generate braking force, thus decelerating the vehicle. Key components in a braking system include brake shoes and brake lining.

Brake shoes: Brake shoes are frictional surfaces used in the drum brake system. Brake shoes carry frictional material (brake lining) bonded to a curved and crescent-shaped metal and sits inside the brake drum. Brake shoes are forced against the inner surface of brake drum to generate friction which reduces the speed of the vehicle.

Brake shoes wear out gradually over time. If worn excessively, the brake shoes will not be able to produce adequate braking force and the rider will experience poor braking. Also, an excessively worn brake shoe can make the metal part of the shoe touch the brake drum, producing excess noise and may damage the brake drum. Hence due to wear and tear the brake lining is worn-out and the brake shoe needs to be replaced. Over time materials used for manufacturing brake shoes has evolved from simple asbestos-based materials to high-tech materials made from semi-metallic and low steel.

DBP: Disc brake pads are frictional surfaces used in the disc brake system. Brake pads are made of frictional material (brake lining) bonded to a metal backing plate. The brake pads are forced against the disc rotor to generate the friction needed to stop the vehicle. Disc brake pads sit within the brake calipers affixed to the wheel hub. There are usually two brake pads per disc rotor which function together in a disc brake assembly. In the past, brake pad linings were made from simple materials such as asbestos. However, today's brake pad linings are made of high-tech abrasive materials of semi-metallic, low steel, non-steel, and metallic types, that can provide high stopping power and last much longer under very demanding conditions based on vehicle usage.

Brake lining: Brake lining is the consumable surface in the brake system which is tough and made of heat-resistant material. During braking, brake linings apply frictional force to a brake drum to reduce vehicle speed. Brake linings are used in both drum and disc brakes. The former consists of a brake drum and brake linings attached to brake shoes, and the latter consists of a brake pad carrying brake lining. Mostly the brake lining is riveted to the brake pads and shoes. As the brake lining wears, the brakes may chatter, squeak or squeal. If the brake lining continues to wear, the rivets would begin to damage the disc rotor or drum, necessitating costly brake repair.

Mission case: Mission case is an essential part of the braking system used in the rear wheel of scooters and alternate to brake panel assembly in the rear wheel of scooters. Mission case is an aluminium alloy casing which houses and protects the transmission gears and brake shoes mounted on the backside of the mission case. On braking, the lever actuates through brake cable to generate braking force, thus decelerating the vehicle.

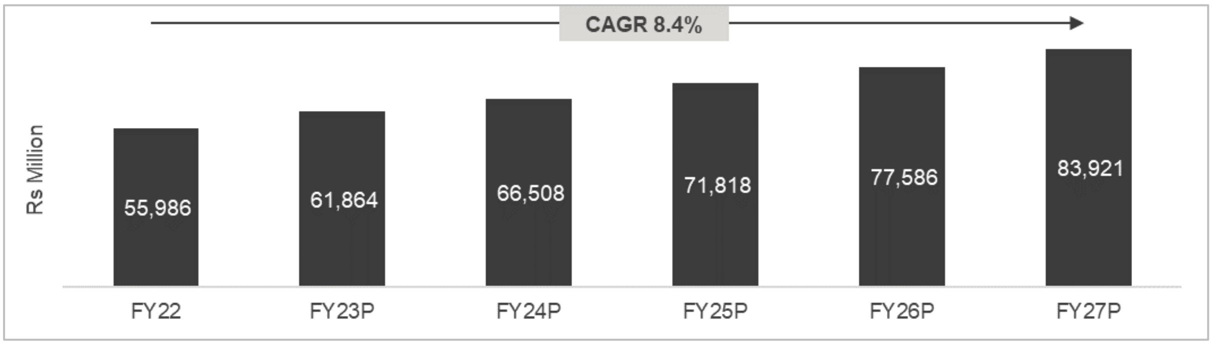
Review of and outlook on the advanced braking systems market between Fiscal 2022 and Fiscal 2027P

As mentioned above, advanced braking systems include products such as brake panel assembly, brake shoes, DBP, brake lining, and mission case catering to multiple automotive vehicle segments including motorcycles, scooters, passenger vehicles, and commercial vehicles in both the internal combustion ("**IC**") and EVs segment. Based on the vehicle category, the products applicable for each of them varies as below:

Segment	Component	Market	Channel
2W	Brake panel assembly, brake shoe, DBP, mission case	Domestic	OE and AM*
3W	Brake shoe	Domestic	OE and AM
PV	DBP	Domestic	OE and AM
CV	DBP, brake lining, body (modulator and park relay)	Domestic and export**	OE

**AM estimated for brake shoe and DBP*
***Export is estimated for DBP and brake lining*

Advanced automotive braking systems market size between Fiscal 2022 and Fiscal 2027P

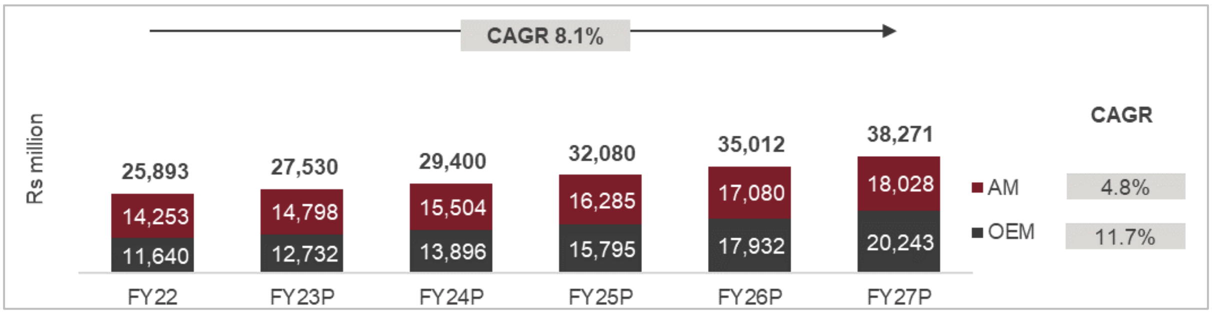


Source: CRISIL

The advanced braking systems market - including the sale to domestic OEMs, aftermarket, and export - is estimated at Rs 55,986 million in Fiscal 2022. Advanced braking systems are expected to growth at 8.4% CAGR over the next five years though Fiscal 2027 to reach Rs 83,921 million. The market would be majorly driven by the fast-growing passenger vehicle segment, followed by 2W and CVs. Based on the above segmentation, 2W is a major contributing segment for the braking solutions market. Almost all vehicle segments would log robust production growth between Fiscal 2022 and Fiscal 2027. The production of 2Ws, 3Ws, PVs, and CVs is projected to grow at 10-12%, 12-14%, 10-12%, and 11-13% CAGR, respectively, over the forecast period, driving the OEM market for braking solutions. Key macroeconomic trends are also likely to aid demand for 2Ws, 3Ws and PVs over the medium to long term. Urbanization will reach 37-38% by Fiscal 2027 from approximately 35% in Fiscal 2020, driving the adoption of 2Ws for city commute. The PLI scheme for the automobile industry is likely to propel exports, thereby supporting demand for auto components in India.

Review of and outlook on advanced braking systems in 2Ws and 3Ws

Automotive braking systems market size for 2Ws and 3Ws between Fiscal 2022 and Fiscal 2027P



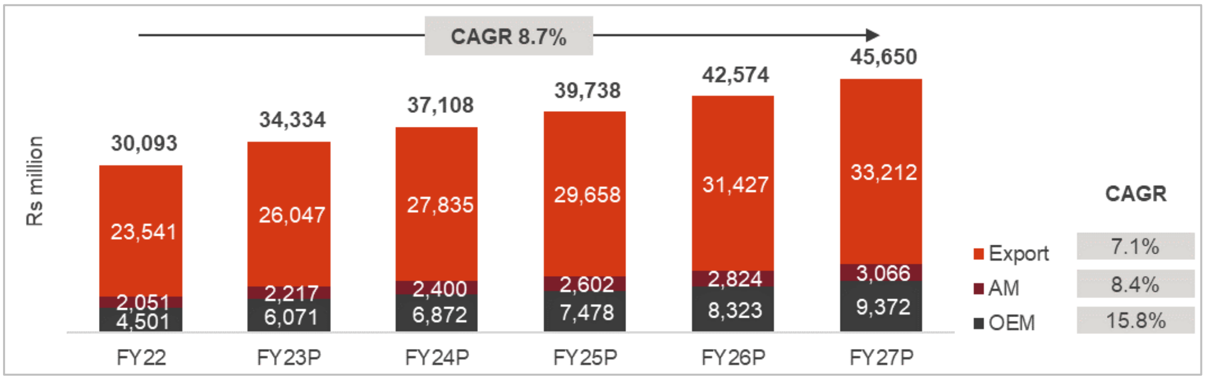
*AM includes original equipment spares (OES), independent aftermarket ("**IAM**") and unbranded segments*
Source: CRISIL

The market for advanced braking systems is estimated to have stood at Rs 25,893 million in 2022 and is projected to clock a CAGR of 8.1% between 2022 and 2027 to reach Rs 38,271 million. Key players in the braking solutions market are ASK Automotive Limited, Allied Nippon, Endurance Technologies, and Brembo. ASK Automotive Limited has the leading market share in the brake-shoe and advanced braking segment in India, in terms of production volume (units) for 2W OEMs, with a market share of about 50% in Fiscal 2022 for OEM and branded IAM combined.

Review of and outlook on advanced braking systems in PVs and CVs between Fiscal 2022 and Fiscal 2027P

Advanced braking systems in the PV segment include DBPs. Intensity of DBPs used in each vehicle changes based on the OEM configuration. Most of the lower or medium-priced cars use drum brakes or a combination of disc and drum brakes, whereas higher priced cars use disc brakes on all four wheels. In the case of the former, the number of DBPs could be zero or four, and in the latter case, it would be eight. The domestic market for EV advanced braking solutions is growing as most OEMs are planning the launch of new EV models. Although most of the modern EVs uses regenerative braking systems, traditional braking systems, which are compatible with these new technologies, are expected to play a major role. Advanced braking systems in the CV segment include brake lining and body (modulator and park relay). The intensity of brake linings used in each vehicle changes with the number of axles.

Advanced automotive braking systems market size for PVs and CVs between Fiscal 2022 and Fiscal 2027P



AM includes OES, IAM and unbranded segments
Source: CRISIL

The market for advanced braking systems stood at an estimated Rs 30,093 million in 2022. The market is projected to log a CAGR of 8.7% between 2022 and 2027 to reach Rs 45,650 million. Among the products considered, OEM braking solutions is the fastest growing segment; however, the export market is largest. Key players in the braking solutions market are Brakes India, Rane Holdings, Bosch, Allied Nippon, Sundaram Brake linings, ASK Fras-le, Hindustan Composites and Masu Brake Pads.

Aluminium lightweighting precision solutions

Lightweighting is a crucial aspect for the transport sector in improving vehicle performance, energy efficiency and emissions, and making safer vehicles. Aluminium is the most used metal by automakers for lightweighting while improving performance standards, safety, and corrosion. According to the European Aluminium Association, aluminium can be 40% lighter than steel and is used to build lighter and stronger vehicles. The metal possesses high thermal conductivity which can assist in moving heat away from critical components such as battery and electronics in an electric vehicle where high heat can adversely affect the performance and safety of the vehicle. Hence, aluminium is also finding growing application in EVs. With EV penetration increasing, application of aluminium in automobiles is expected to grow as the use of this metal would improve the performance of EVs, due to lighter weight the efficiency of the vehicle can increase translating to higher range for a given size of battery, lowering the range anxiety expressed by customers. With high focus on energy efficiency and range anxiety in BEVs, light weighting is gaining increasing focus of automakers globally. Even in ICE vehicles, the need to lower greenhouse gas emission has seen adoption of materials such as aluminium and magnesium which are used to make thinner body panels and other structural members which can improve fuel efficiency.

Light weighting can be best achieved by using aluminium alloy as it is significantly lighter than ferrous alloys and exhibits the desired mechanical strength, elongation, high level of soundness and integrity, pressure tightness even at high pressure and heat dissipating properties as per system and vehicle requirement. Precision aluminium alloy parts is another critical requirement of the industry and offers a very high level of dimensional repeatability, casting internal soundness and integrity, ability to be heat treated there by providing enhanced performance of the automotive system and vehicles. Apart from this, aluminium alloy is also environmentally friendly and meets the end-of-life vehicles compliance standard requirement. Overall, aluminium lightweighting systems and products improve performance and efficiency by reducing the weight of components, and assist in heat management, thereby increasing durability.

Many parts in automotives are made from aluminium including engine parts, body and chassis parts, transmission parts and various housing used in multiple segments. Also, due to increase in electronic controls in vehicles, aluminium alloy content is increasing continuously due to heat dissipation properties. Aluminium alloy is widely used for battery housings, covers, transmission housings, transmission pullies, traction motor housings, inverter housings, wheels, AC system parts and structural members for EVs as upcoming mainstream automotive market. All the products are aimed at offering higher performance while lowering the overall weight of the vehicle. Application of aluminium alloy in automotive and non-automotive is expected to grow as use of this would improve the performance of BEVs lowering range anxiety. Most automotive component manufacturers use die casting to manufacture aluminium-based automotive parts.

Engine parts

The engine is the backbone of any automobile as being powertrain unit. Inside the engine, ignition and combustion of fuel take place, converting the energy from combustion into heat and mechanical torque offering mobility. The engine is made up of several individual components working simultaneously. Some important engine components are engine block, crankcases and covers, cylinder head, cylinder head covers, oil pump, piston, and oil pan.

Crankcase: Crankcase is an essential component of ICE 2Ws. It houses a motorcycle's entire crank mechanism including piston, cylinder and connecting rods, notably crankshaft. Transmission components and engine control components are also attached to the crankcase. Crankcase is the body that holds engine parts together and must be designed to be both light and strong. Crankcase is integrated into the engine block and protects engine parts from debris such as dust, water, and mud.

Crankcase stores lubricating oil required for lubricating the engine parts. Crank cases are best combination of light weighting and precision machining and are most critical parts in terms of manufacturing processes and integrated controls.

Crankcase cover: Crankcase cover is the casing made of aluminium alloy that encloses the crankshaft of an ICE. Crankcase cover offers superior aesthetics and heat dissemination to the crankcase while protecting it from contaminants including dust, sand, and water.

Filter housing: Oil filter housing offers a secure enclosure for the oil filter in the engine bay and allows engine oil to flow through the oil filter efficiently reach vital engine parts. It connects the oil filter with the engine by holding it in a single place. It is also placed right next to the engine cover, which makes it easy to access whenever needed and allows safe filtration without leakages. Filter housing makes filter easily accessible, practical, efficient, and thus saves labour cost, and allows safe filtration without leakages. Filter housings are strong, and since they are usually inside the engine bay, they are extremely durable. Without the oil filter housing, engine oil would not be able to flow through the oil filter efficiently and if contaminated and dirty oil circulates through the engine, it can damage the engine overtime.

Cylinder block: A cylinder block is the most critical part of the engine engaged into generation of power The upper part of the structure contains cylinders and pistons. Lower section forms the crankcases and supports the crankshafts. Cylinder block houses engine cylinders, which serve as bearings and guides for the pistons. Cylinder block encloses the connecting rod, piston, and crankshaft, and provide a sealed movement within the block.

Typically, cylinder size and number of cylinders in the engine are measured to determine the power of the engine and cubic capacity. There are two types based on their construction: single and twin cylinder engine. Single cylinder engine is inexpensive but is less responsive than engines with higher cylinder count for a given engine size, though it cools down much faster than other engines. Twin cylinder engine is available in different variants, which include straight-twin, V-twin, flat-twin, and tandem-twin, which offer better performance compared to single cylinder engine.

Throttle body: In ICEs, throttle body is the part of air intake system that controls the amount of air that goes into the engine. It houses throttle plate (butterfly valve) that rotates on a shaft to vary the amount of air intake. On acceleration, the valve opens and allows air into the engine, whereas on deceleration, the valve closes and blocks air flow into the engine. This process effectively controls the speed of the engine and, thus, speed of the vehicle. Throttle body is located between the air filter and the intake manifold and is connected to the accelerator mechanically or electronically.

Engine cover: The purpose of the engine cover is to protect the engine bay from debris and reduce the engine noise while adding a cleaner look to the engine assembly. Most of the engine covers are manufactured using the casting mechanism and different alloys and metals based on the light weighting or application needs.

Body and chassis parts

Body and chassis parts include structural parts that offer comfort and safety to passengers. Chassis is the base structure of any vehicle that supports it from underneath. It supports all parts of the automobile including the powertrain, steering, transmission, suspension, and braking system. The body or the exterior structure of the vehicle is either constructed separately and bolted to the chassis or manufactured integral with the chassis. Together the chassis and the body make the complete vehicle. Some of the body parts include windows, roofs, doors and door handles in PVs and handle, footrest and pillion grip in 2Ws.

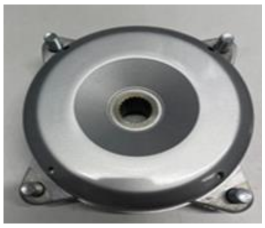
Pillion grip: Pillion grip offers holding point for pillion riders and offers support and safety on the motorcycle. Pillion grip protects the pillion rider from falling in case of abrupt increase or decrease in speed, thereby enhancing safety. Pillion grip could be the grab handles or pillion grab rails, which are installed on both sides, offering comfort to pillion passengers, and allows rider to bring the motorcycle to main stand.

Footrest assembly: A footrest is a non-moving piece of metal with rubber attachment over it where riders can keep their feet. A motorcycle will have designated footrest for riders and pillion riders. Footrest in 2W is mainly for comfort, convenience and safety of the rider and pillion rider. Footrest assembly generally includes a pair of footrests, each fixed on either side of the 2W for supporting respective foot of the rider. Footrest is pivoted to the lower portion of the body of the 2W and is adapted to support the corresponding foot of the pillion rider. In the pillion rider configuration, footrests on both sides can be manually moved to be folded inwards or unfolded outwards. In the case of scooters, footrests are placed inside the body to offer superior aesthetic appeal.

Speedometer cable housing: The Speedometer contains the mechanism to display various operating parameters of a vehicle such as engine rpm, speed, indicator status and engine status. Speedometer cable housing is a metal casing that surrounds speedometer and cable, thus preventing it from getting damaged.

Wiper housing: Wipers are used to remove water, dirt, snow, or any debris from the vehicle windshield. All motor vehicles including cars, vans, buses, and trucks need to be equipped with one or more such wipers legally. The metal arm is powered by an electric motor with adjustable speed. Some vehicles are fitted with wipers on rear window as well. Rear window wipers are usually found on hatchbacks, SUVs, wagons, and other vehicle types with more vertically oriented rear windows that tend to accumulate dust. Modern day vehicles have automatic wipers that detect the presence of rain using rain sensors and operate without human assistance. Wiper housing encloses wiper components including the wiper arm, motor and crank supporting it. The motors are contained in metal housings, and each housing has connections for electrical wires and wiring harness to operate the wipers.

Hub: The hub is a critical component of the wheel, which houses the drum brake assembly. The brake drum is a cylindrical hollow metal that is attached to the vehicle wheel and rotates at the same speed as the vehicle. The brake drum protects brake parts and inner rim of the drum acts as braking surface. Brake drum houses brake shoes fitted with brake linings, that are pressed against the drum to generate friction necessary to stop or decelerate a vehicle.



Transmission parts

Transmission is responsible for transferring powering from the engine to the wheels. The transmission ensures that the engine runs at an ideal rate while powering the wheels with the right amount of power to accelerate and decelerate. Key components of a transmission system include clutch, gearbox, differential, gears, and bearings.

Flange final driven: The final drive is the last step in transferring engine power to motorcycle rear wheel. During the primary stage of power transmission, the engine transfers power to the crankshaft and this in turn moves to the gearbox. In the final drive, power transmitted from the gearbox to the rear wheel to get the bike moving. There are three different types of final drive systems: chain, belt, and shaft drive. The chain drive system is very common. The flange final driven is attached to the rear wheel and sprocket final driven.

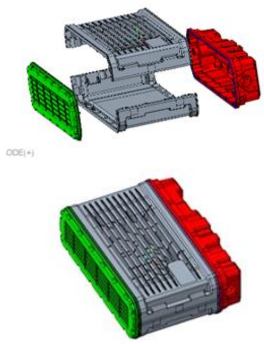
Wheel pulley and intermediate pulley: The pulley acts a transmission mechanism in EVs and are used in belt driven vehicles. They transfer power from the electric motor to the intermediate pulley and in turn to the rear wheel through a wheel pulley mechanism. These pullies are made of lightweight aluminium alloy and gears on outer periphery are also as cast with zero draft allowance. Gear profile tolerance in <100 microns in as cast condition and is extremely critical for vehicle noise. Molten metal feeding system is designed differently to ensure highest level of integrity and casting internal soundness at centre hub and spokes area. The design is successfully migrated from sintered material to aluminium alloy to achieve weight targets and thus lowering range anxiety.

Motor housing: Motor housing covers the internal body of electric motors offering a definite shape and size, improving the performance. It protects the motor from dust, water or debris and damages during accidents. The motor housing is mounted to the chassis like an engine block and holds the traction motor. The part is extremely critical due to light weighting, precision machining and heat dissipation requirements.

Electrical and electronic unit

*Electronic control unit ("**ECU**") plate or ECU heat sink*: The shift of vehicles from mechanical to electronic systems has increased and the number of innovations such as infotainment, power steering, cruise control, connectivity, and IoT technologies are becoming mainstream. These electronic devices are controlled by an ECU. The ECU in a vehicle would be attached to a metallic object called an ECU plate and ECU heat sink that can draw heat away from the device, to prevent damage from overheating. The heat sink increases heat flow away from a hot electronic device, keeping the device cool and thus improving its performance and extending its service life. It accomplishes this task by increasing the devices working surface area. Majorly heat sink is manufactured in aluminium alloy.

Battery housing and covers: The battery is the key element of EVs and is an expensive component. The battery is estimated to account for 40-50% of the total cost of an EV. Battery housing protects the battery in the event of a crash. An efficient battery housing has many attributes that aid battery safety and assist in thermal management, while protecting the battery from the harsh environment under the vehicle and in an accident. Battery housing consists of four primary structural pieces: top cover, bottom cover, internal structure, and side impact crash protection structure. Battery housing should offer superior fire protection and must protect passengers in the event of a fire (thermal runaway). Battery housing can withstand side impact, bump on the road, or a foreign object



striking it from below. On the other hand, it must be as light and compact as possible to make the most efficient use of the installation.

Review of and outlook on the aluminium lightweighting precision solutions market between Fiscal 2022 and Fiscal 2027P

The aluminium lightweighting precision solutions market includes segments covering engine parts, body and chassis parts, transmission parts, electrical and electronic-and EV-specific components, catering to the motorcycle, scooter, PV, CV segments for both ICE and EVs. The aluminium die casting market in India will be led by the availability of skilled workforce and government incentives for MSME businesses, emission norms in the automotive segment, and favourable domestic and export scenarios for the automobile sector. EVs are set to increase the demand for aluminium components as the increased adoption of electrification to result in additional focus on light weighting thereby increasing the usage of aluminium products in the 2W, 3W and PV segment. Aluminium helps in reducing the vehicle weight thereby improving the range of EVs. New product innovations for use in EVs could raise the average quantity of aluminium used per vehicle in India to match global standards. Applications of aluminium in EVs include lightweight battery casings, motor housings and heat exchangers, besides overall structural integration. The ability to absorb a larger amount of crash energy, better strength-to-weight ratio ensuring vehicle performance enhancement is key attraction point of aluminium.

These components are manufactured using complex engineering processes. Given their criticality to automotive systems, a high level of precision and adherence to high standards of quality is also required. This necessitates close coordination between component manufacturers and OEMs throughout the product cycle from design to testing and validation to delivery. As a result, OEMs typically have an extensive and detailed vendor approval process and generally have longer gestation periods to onboard a new supplier. The significant time and effort in the approval process results in OEMs typically preferring not to switch vendors unless there have been specific quality and cost issues.

Major players in the industry include Endurance Technologies, Craftsman Auto, Sundaram Clayton Limited, Rico Auto Industries, Rockman Industries, Sunbeam Lighweighting, Sandhar Group and Alicon Castalloy. ASK Automotive Limited is among the prominent players in the aluminium lightweighting precision solutions segment in India for 2W OEMs with 8% market share in Fiscal 2022.

Products within every segment are listed below:

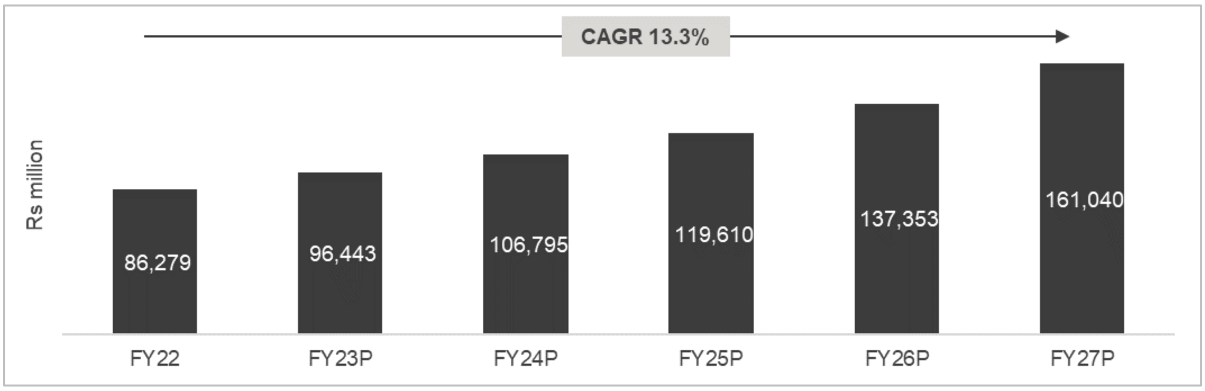
Sub-segment	Component
Engine parts	Crank case, crank case cover, cylinder block, throttle body, engine cover, filter housing
Body and chassis parts	Pillion grip, footrest assembly, wiper housing, speedometer cable housing, hub, handle holder
Transmission parts	Flange final driven
Electrical and electronic parts	ECU plate and ECU heat sink,
EV-specific parts	Battery housing, motor housing, wheel pulley and intermediate pulley

Products under every vehicle category are listed below:

Segment	Component	Market	Channel
2W	• Engine parts: Crank case, crank case cover, cylinder block, throttle body, engine cover • Body and chassis parts: Pillion grip, footrest assembly, speedometer cable housing, hub • Transmission parts: Flange final driven, • Electrical and electronic parts: ECU plate and ECU heat sink, • EV-specific parts: Battery housing, motor housing, wheel pulley and intermediate pulley	Domestic	OE
PV	• Engine parts: Throttle body, filter housing • Body and chassis parts: Wiper housing	Domestic	OE

Segment	Component	Market	Channel
	• Electrical and electronic parts: ECU plate and ECU heat sink, • EV-specific parts: Battery housing, motor housing		
CV	• Engine parts: Filter housing	Domestic and export	OE

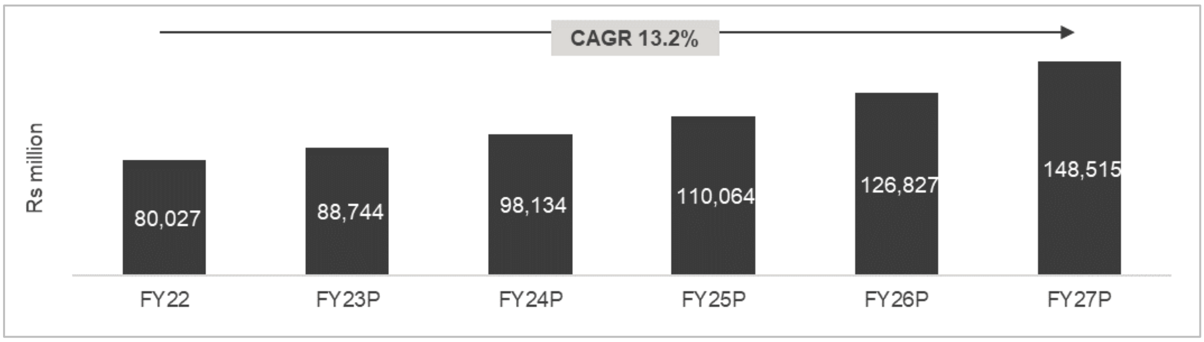
Aluminium lightweighting precision solutions market size between Fiscal 2022 and Fiscal 2027P



Source: CRISIL

Review of and outlook on aluminium lighweighting precision solutions in 2Ws between Fiscal 2022 and Fiscal 2027

Aluminium lightweighting precision solutions market size for 2Ws between Fiscal 2022 and Fiscal 2027P

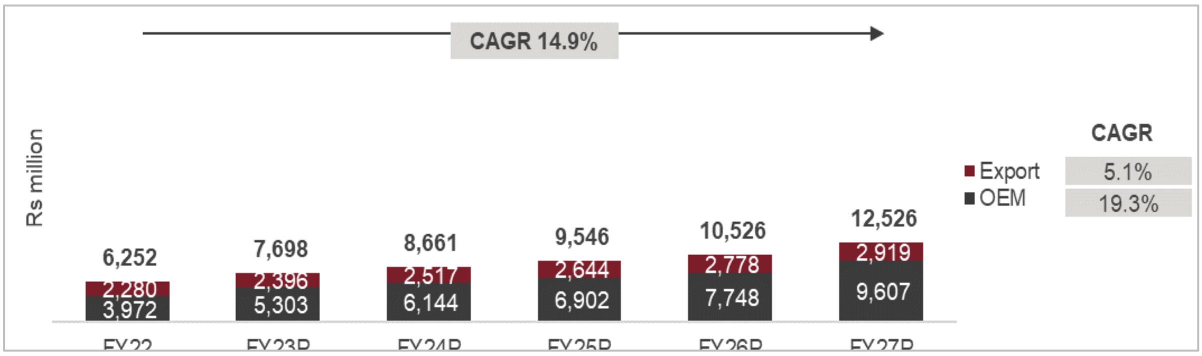


Source: CRISIL MI&A

The domestic market size of aluminium lightweighting precision solutions is estimated at Rs 80,027 million as of 2022 and is expected to grow at a 13.2% CAGR between 2022 and 2027 to Rs 148,515 million. The engine parts are the largest contributing category, followed by body and chassis parts based on the components considered. The market for electrical and electronic components and body and chassis parts is expected to grow; however, owing to the transition to EVs, the market for engine parts is expected to be negatively impacted and witness slow growth. Engine parts including crankcase, crankcase cover, cylinder component, throttle body, engine cover and hub wouldn't be a part of e-2Ws. However, new components like wheel pulley, battery housing, battery cover, motor housing, motor cover, gear housing and gear housing cover would be added to EV 2Ws and could increase the overall aluminium content by 30-50% in terms of weight compared to an ICE 2W. However, due to the complexity and a greater number of parts, it could be more than double in value terms. Growth in the aluminium lighweighting precision solutions market for EVs will be primarily led by electrical and electronic parts, EV-specific components, and body and chassis parts. The aluminium content per vehicle is expected to increase with the penetration of EVs as big battery trays demands a good thermal conducting material alongside offering improved structural, crash, and lightweighting performance. Also, growing electrification of vehicles will increase the rate of use of electrical components and EV-specific components, propelling growth in aluminium lightweighting precision solutions in the segment.

Review of and outlook on aluminium lightweighting precision solutions in PVs and CVs between Fiscal 2022 and Fiscal 2027P

Aluminium lightweighting precision solutions market size for PVs and CVs between Fiscal 2022 and Fiscal 2027P



Source: CRISIL MI&A

The market size for aluminium lightweighting precision solutions is estimated at Rs 6,252 million in 2022 and is expected to grow at a 14.9% CAGR over the forecast period to Rs 12,526 by 2027. Based on the above segmentation, the market for lightweight solutions is primarily led by OEM-based components as OEMs are focusing on lighweighting to meet emission standards and improve safety in vehicles. In addition, with rising EV penetration, OEMs are trying to develop structural and body components that can lessen the body weight, reducing the load on the vehicle and thereby improving their range. Currently, the export market is very small; however, with the outlook on PV and CV export being positive, the market is expected to see robust growth.

Safety control cable solutions

Safety control cables (SCC) are very important parts in the automotive industry, used in motorcycles, scooters, mopeds, and 2W EVs to actuate, control and operate applications such as brake, accelerator, clutch, transmission gear, speedometer, fuel lid, seat lock, choke, battery charging lid. Throttle cables are used to accelerate the vehicles, brake cables are used to stop the vehicle, clutch cable is used to dis-engage & engage the power of engine, choke cable provided to enrich the fuel in cold conditions, seat cable is used to lock and unlock the seat, fuel lid cable can lock and unlock the lid of fuel and apply the combined brake on both front and rear brakes by combi brakes.

Choke cable: A choke cable controls air flow into the carburettor of an engine. It helps enrich the fuel-air mixture, enhancing an engine's ability to be started in low temperatures. The ratio of the air-fuel mixture required to start the engine changes with temperature, and for carburettor-fitted bikes, the choke cable ensures there is enough useable fuel to start the engine in low temperatures. Chokes are a mandatory feature of all 2Ws. The choke enriches the fuel mixture either by adding more fuel or cutting off air supply, thereby increasing the amount of combustible vapour available to start the engine. On a motorcycle, a choke valve is likely to be a pulling lever either directly or indirectly attached to the carburettor via a cable. The shape of the choke cables is like that of a butterfly. When it is pulled by the rider, it blocks the air passage from both sides by rotating.

Clutch cable: A clutch cable forms an important part of a motorcycle's transmission. The clutch is the mechanism responsible for engaging and disengaging power from the engine crankshaft with gears. It is the component through which the rider's input passes to the clutch's internals. Simply, with clutch cable's help, the clutch connects the clutch lever with the engine responsible for shifting gears. It is made of braided steel and is held under tension between the clutch lever and a bracket by the engine and transmits force between the clutch lever (on the handle) and pressure plate. Pulling the clutch lever moves the cable and plate, disengaging the clutch's friction discs from the engine to shift transmission. This enables switching of gears and, consequently, managing speed.

Brake cable: A brake is a mechanical device that inhibits motion by absorbing energy from a moving system. A brake cable connects the brake handle, or pedal, to a vehicle's braking mechanism and is responsible for engaging and disengaging brakes in vehicles. Hence, it is very important for the smooth and accurate application of brakes. The brake cable wire impedes the vehicle's motion by arresting energy from its moving system. By means of friction, brakes slow or stop a moving vehicle, wheel, and axe or in all, stop or slow down the motion.

Speedometer cable (speedo cable): A speedometer cable reads a motorcycle's speed through a cable housing that is routed to the speedometer gauge. The cable rotates within the cable housing and calculates the speed of a bike, which is displayed in the gauge, either in mph or kph. The motorcycle's speed can be calculated using the number of rotations made by the wheel. Therefore, to calculate speed, the magnetic force of the magnet attached to the wheel near the sensor needs to be measured. The speedometer cable whirls the magnet. When the rider starts the engine, the driveshaft turns to make the wheel rotate. As a result, the bike's speedometer cable turns too, powered by the drive shaft.

Throttle cable: The throttle cable connects the accelerator handle or lever to the throttle body allowing the driver to control the vehicle's level of acceleration and speed. Throttle cables are a mechanical link between the accelerator handle, or the engine throttle body (located between the air filter box and the intake manifold). They help in managing the speed of the bike and scooter by releasing pressure on the accelerator pedal. When the driver pushes the handle up, the action opens the throttle which lets air and fuel enter the engine. Make more fuel and air enter the engine cylinders of bike and scooter, which produces more power, and the bike and scooter moves faster. By using the throttle cable, which increases or decreases the engine's power. Bike and scooter accelerator cable gives the rider a smooth and friction-free riding experience. The inner part of these cables is made of stainless steel or galvanized, which provides strength and flexibility. The outer part of these cables is made of high carbon steel, liner and coated with high quality of PVC/PP, which provides strength as well as sustainability in high and low temperatures. The throttle cable connects the accelerator handle to the throttle body, allowing the driver to control the vehicle's level of acceleration. This requires the cable to be able to withstand prolonged period of use.

Seat lock cable: A seat lock cable finds application in scooters and motorcycles, where a key mechanism is involved to release the scooter seat lock. It helps open the seat and facilitate the seat lock mechanism. The inner part of these cables is made of stainless steel or galvanized, which provides strength and flexibility. The outer part of these cables is made of high carbon steel, liner and coated with high quality of PVC/PP,

which provides strength as well as it provides sustainability in high and low temperatures.

Fuel cable: The purpose of the fuel lid cable is to unlock and lock the fuel lid in scooters. It operates by key. It prevents theft of the fuel by robbers. The inner part of these cables is made of stainless steel or galvanized, which provides strength and flexibility. The outer part of these cables is made of high carbon steel, liner and coated with high quality of PVC/PP, which provides strength as well as sustainability in high and low temperatures.

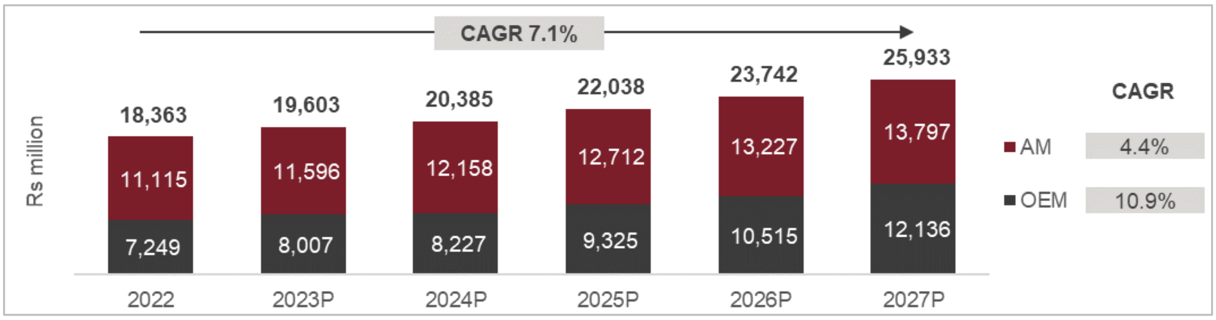
Review of and outlook on the safety control cables market between Fiscal 2022 and Fiscal 2027P

The safety control cable solutions market includes choke, clutch, brake (front and rear), speedo, throttle, seat lock, and fuel cables catering to the motorcycle, scooter, and EV segments in the 2W industry. The usage of each of these cables is one unit per vehicle.

Cables applicable for every vehicle category, market, and channel are listed below:

Segment	Component	Market	Channel
Motorcycle	Choke cable, clutch cable, brake cable (front and rear), speedo cable, throttle cable	Domestic	OE and AM
Scooter	Choke cable, clutch cable, brake cable (front and rear), speedo cable, throttle cable, seat lock cable, fuel cable	Domestic	OE and AM
EV	Brake cable (front and rear), seat lock cable	Domestic	OE and AM

Safety control cables solutions market size between Fiscal 2022 and Fiscal 2027P



Note: AM includes OES, IAM and unbranded segments
Source: CRISIL

The market size for safety control cable solutions is calculated considering the usage of each of these cables in multiple vehicle segments. It is estimated at Rs 18,363 million in 2022 and is expected at Rs 25,933 million by 2027, growing at a CAGR of 7.1%. The aftermarket is the largest market for this segment; however, the OEM segment is expected to grow at a higher CAGR. Moreover, with increasing EV penetration, the content of cables used in two wheelers for engine operations are declining. In this light the larger fleet of vehicles in the parc would be the key driver for the cables market in the medium to long term.

Suprajit Engineering Limited, Ramson Industries, ASK Automotive Limited and Hi-LEX are leading players in the market. ASK Automotive Limited is among the prominent players in the safety control cable segment in India, in terms of volume for 2W OEMs in Fiscal 2022.

Total Addressable Market by vehicle segment and component category between Fiscal 2022, Rs Million

Market Size (Rs Million) 2022	2W		3W		PV		CV		
	OEM	Replac -ement	OEM	Replac-ement	OEM	Replac-ement	OEM	Repl ac-emen t	Expo rt
Advanced Braking Systems									
Brake Panel Assembly	6,919	-	-	-	-	-	-	-	-
Brake Shoe	2,601	12,117	164	587	-	-	-	-	-
DBP	658	1,549	-	-	1,219	2,051	-	-	2,063
Mission Case	1,298	-	-	-	-	-	-	-	-
Brake Lining	-	-	-	-	-	-	3,107	-	21,47 8
Body (Modulator and Park Relay)	-	-	-	-	-	-	175	-	-
Total	11,476	13,666	164	587	1,219	2,051	3,282		23,54 1
Aluminium Lightweighting Precision Solutions									
Engine Parts	46,949	-	-	-	2,578	-	403	-	2,280
Body and Chassis	28,079	-	-	-	288	-	-	-	-
Transmission Parts	1,357	-	-	-	-	-	-	-	-
Electronics	3,034	-	-	-	614	-	-	-	-
EV Specific	608	-	-	-	88	-	-	-	-
Total	80,027				3,569		403		2,280
Safety Control Cable Solutions	7,249	11,387	-	-	-	-	-	-	-

Source: CRISIL

Transition mapping on Company-specific automotive components

Segment	Category	Product	Vehicle Segment: ICE	Vehicle Segment: EV (HEV, BEV)
Advanced Automotive Braking Solutions	Braking	Brake panel assembly, brake shoe, disc brake pad (DBP), brake lining, mission case	—	—
Aluminium Light weighting Precision Solutions	EV Specific	Motor housing	—	▲▲
		Battery housing	—	▲▲
		Wheel pulley	—	▲▲
	Electrical/Electronics	ECU housing/ECU heat sink	—	▲▲
	Transmission parts	Flange final driven	—	▲
	Body/Chassis Parts	Pillion grip, footrest assembly, speedometer cable housing, wiper housing, hub	—	—
	Engine Parts	Crankcase, crankcase cover, filter housing, cylinder block, throttle body, engine cover	—	▼▼
Safety Control Cable Solutions	Cables	Choke cable, clutch cable, brake cable (front & rear), speedometer cable, throttle cable, seat lock cable, fuel cable	—	▼

▲ Improved realizations ▲▲ Significant improved realizations — No transition impact ▼ Reduced realizations ▼▼ Significant reduced realizations

Source: CRISIL

Every segment within the automotive industry is embracing a transition towards electrification. Due to the different requirements of the EV market such as lightweight components, completely different powertrain, and new component segments such as high-power electronics and batteries, traditional ICE vehicle manufacturers are witnessing a transformation in the entire ecosystem in a short period. Companies that can transition to develop new products and cater to the segment stand to gain, whereas players who fail to keep up with demand from these transitions are at a risk of falling behind. Electrification has increased the content of electronics and associated components in vehicles. Since EVs have a different powertrain or propulsion technology, traditional ICE components including engine parts, the operating mechanism, and fuel systems are not present in EVs. These are replaced by EV-specific components such as batteries, motors, inverters, and their associated assemblies. Although ICEs and EVs are different in terms of operation, some components that are common to these include seating, braking, body parts, and cables.

The braking systems in the ICE vehicles and EVs are common and use similar components. Currently, EVs also use traditional braking components such as drum brake shoes and DBPs for braking. However, in future, with the rapidly evolving EV segment, the specifications of components could also change with longer-term trends such as the need for lighter and safer components.

Lightweighting has always been a point of focus for both ICE vehicle and EV manufacturers. Companies are using components made from aluminium, by improving the properties of these components to match application needs while keeping the weight low. With the dual focus on reducing oil imports, as well as gradually tightening fuel consumption, norms have forced OEMs to look for ways to improve fuel efficiency in their vehicles. One of these involves the use of components that have a higher strength-to-weight ratio, that is, these components weigh less, but at the same time, offer superior structural properties and service life. Another area of focus is EVs, where efforts to alleviate range anxiety require more efficient vehicles that are lighter, but also strong enough to support heavier parts such as batteries, so that structural integrity is maintained on rough roads and in the case of a crash.

Safety control cable solutions are specific to the 2W segment, and their intensity changes based on their class, for example, motorcycles compared to scooters. Moreover, with the rise in electric 2Ws, the market for some cable types such as clutch cable and choke might be negatively impacted, as these are not used in EVs. However, the sharp increase in EV penetration should offset the demand decline from the ICE segment to some extent.

Financial profiling of key automotive component players competing with ASK Automotive Limited

Key player profiles

ASK Automotive Limited designs and develops safety systems and critical engineering solutions for more than three decades and is the leading brand in the 2W IAM braking segment in terms of production volume for Fiscal 2022. In the 2W segment, it has the leading market share in the advanced braking segment in terms of volume in Fiscal 2022 and is one of the prominent players in the aluminium lightweighting precision solutions segment. It has over 400 dealers distributing its branded products in the aftermarket segment in India as of 31st March 2022. ASK Automotive Limited competes directly and indirectly with other manufacturers and suppliers of safety systems and critical engineering solutions to OEMs and in the aftermarket. Key players in the braking solutions, aluminium lightweighting solutions and safety control cables market other than ASK Automotive Limited are Uno Minda Limited, Endurance Technologies Limited, Suprajit Engineering Limited, Bharat Forge Limited.

Uno Minda Limited

Key facts	Brief profile
Year of incorporation: 1992 **HQ**: Gurgaon, Haryana	Key product segments The company specializes in the manufacture of auto components for global and domestic automotive market. It caters to 2Ws, 3Ws, PVs and offroad vehicles. It manufactures diverse parts and accessories for motor vehicles such as brakes, gearboxes, axles, road wheels, suspension shock absorbers, radiators, silencers, exhaust pipes, catalysers, clutches, steering wheels, steering columns, and steering boxes.
Plant locations Uno Minda has manufacturing facilities in India, Indonesia, Vietnam, Spain, and Mexico. Its R&D centers are in India, Germany, and Spain. It has more than 70 manufacturing plants globally and sales offices in North America, Europe, and the Association of Southeast Asian Nations member countries. **Key clients** Toyota Kirloskar Motor, Hero MotoCorp, Piaggio Vehicles, TVS and Bajaj.	

Endurance Technologies Limited

Key facts	Brief profile
Year of incorporation: 1990 **HQ**: Aurangabad, Maharashtra	Key product segments The company is a leading manufacturer and supplier of aluminium die casting components for automobiles. Its business segment includes aluminium die casting, suspension, transmission, braking systems, and aftermarket. The company manufactures suspension, transmission, steering columns, clutches, catalysers, silencers, and braking products, which are supplied to 2W and 3W OEMs.
Plant locations The Vompany has a manufacturing presence in India, Germany and Italy and has more than 25 plants. Its overseas operations are primarily through two direct subsidiaries, Endurance Amann GmbH (Germany) and Endurance Overseas Srl (Italy). They supply casting and machining products to leading 4W OEMs in Europe. **Key clients** Kia Motors India, Honda Motorcycle & Scooter India, and Royal Enfield.	

Suprajit Engineering Limited

Key facts	Brief profile
Year of incorporation: 1985 **HQ**: Bangalore, Karnataka	Key product segments The company manufactures mechanical control cables used in the automotive (2Ws and 4Ws) and non-automotive segments, and equipment such as speedometers, tachometers and fuel and temperature gauges for the automotive sector. It also produces halogen lamps for the automobile industry and is a dominant player, catering to the 2Ws and 4Ws in the PV, CV, and after-market segments.
Plant locations In India, it has 18 manufacturing facilities located in states including Karnataka, Haryana, Maharashtra, Gujarat, Rajasthan, Tamil Nadu, and Uttar Pradesh. Globally, it has manufacturing facilities in the United States of America, the United Kingdom, Germany, Mexico, and Luxembourg. **Key clients**	

Tata Motors, TVS, Hero MotoCorp, Bajaj, Yamaha, Volkswagen, Mahindra & Mahindra, Jaguar Land Rover, Piaggio, Nissan and Eicher Motors.

Bharat Forge Limited

Key facts	Brief profile
Year of incorporation: 1961 **HQ**: Pune, Maharashtra	Key product segments The company is involved in metal forming and serves industrial and automotive business. Industrial business segment includes power, oil and gas, construction & mining, rail, marine and aerospace sector. Within automotive business, the company serves PV and CV segment. Key business segments include forging and others. The forging segment includes manufacture of forged products comprising forging and machined components for automotive and industrial sector. Others includes various new initiatives which the company is carrying out other than forging related activities. The company manufactures brakes, Gearboxes, Axles, Road Wheels, Suspension Shock Absorbers, Radiators, Silencers, Exhaust Pipes, Catalysers, Clutches, Steering Wheels, Steering Columns and Steering Boxes.
Plant locations It has 15 manufacturing plants spread across India, Europe, and North America with eight, five and two manufacturing plants in each region. **Key clients** The company's customer base includes virtually every global automotive OEM and Tier-1 supplier. John Deere, Ashok Leyland, Caterpillar, and DAF Trucks among others.	

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Peer Comparison Fiscal 2023 financials

Particulars	ASK Automotive Limited*	Uno Minda Limited	Endurance Technologies Limited	Suprajit Engineering Limited	Bharat Forge Limited
Revenue from operations(1) (₹ million)	25,551.67	112,364.90	88,040.46	27,523.55	129,102.59
Revenue growth rate(2) (%)	26.93%	35.17%	16.62%	49.55%	23.41%
EBITDA(3) (₹ million)	2,475.45	12,908.70	10,816.93	3,512.66	19,403.80
EBITDA margin(4) (%)	9.65%	11.44%	12.22%	12.59%	14.83%
Profit after tax for the year (“**PAT**”)(5) (₹million)	1,229.53	7,002.30	4,795.75	1,521.09	5,083.87
PAT margin(6) (%)	4.79%	6.20%	5.42%	5.45%	3.89%
Return on average equity (RoAE)(7) (%)	19.27%	18.99%	13.92%	14.54%	6.56%
Return on average capital employed (RoACE)(8) (%)	22.06%	17.91%	14.61%	18.74%	12.75%
Average debt to EBITDA ratio(9)	0.97	0.80	0.41	1.36	3.22
Debt to equity ratio (gearing ratio)(10)	0.49	0.28	0.11	0.52	1.02
Cash flow to EBITDA ratio(11)	55.98%	61.84%	79.69%	68.06%	9.87%
Asset turnover ratio(12)	2.14	1.48	1.39	1.32	0.76
Working capital days(13)	27.74	43.99	23.09	86.35	114.85

Source: Annual reports, CRISIL Research

* *The financial information of ASK Automotive Limited has been derived from the Restated Consolidated Financial Information as at or for the financial year ended March 31, 2023*

Notes:

(1) Revenue from Operations: Revenue from Operations means the Revenue from Operations as appearing in our Restated Consolidated Financial Information.

(2) Revenue Growth Rate: Revenue Growth (%) is calculated as Revenue from operations for the current year minus Revenue from operations for the previous year as a % of Revenue from operations for the previous year.

(3) EBITDA: EBITDA is calculated as profit before share of net profits/losses of joint venture, exceptional items and tax plus finance costs plus depreciation and amortisation expense.

(4) EBITDA Margin (%): EBITDA Margin (%) is the percentage of EBITDA divided by total income.

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

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

(7) Return on average equity (RoAE) (%): RoAE is calculated as Total Comprehensive Income for the year divided by Average Equity for the year. Average Equity is calculated as average of the total equity at the beginning of the year and at the end of the year. Total Equity is calculated as equity share capital plus other equity.

(8) Return on Average Capital Employed (RoACE) (%): RoACE is calculated as Earnings before interest and taxes (EBIT) divided by Average Capital Employed. EBIT is calculated as EBITDA minus Depreciation. Average Capital Employed is calculated as average of the capital employed at the beginning of the year and at the end of the year. Capital Employed is computed as Total Equity (equity share capital plus other equity) plus total non-current liabilities except non-current lease liabilities.

(9) Average Debt to EBITDA ratio: Average Debt to EBITDA ratio is calculated as Average debt divided by EBITDA. Average Debt is calculated as average of the debt at the beginning of the year and at the end of the year. Debt refers to Total Borrowings (non-current and current).

(10) Debt to Equity Ratio (Gearing Ratio): Debt to Equity Ratio (Gearing Ratio) calculated as Closing Debt (current and non-current borrowings) divided by Total Equity.

(11) Cash Flow to EBITDA Ratio: Cash Flow to EBITDA Ratio is calculated as net cash flow from operating activities divided by EBITDA

(12) Asset Turnover Ratio: Asset Turnover Ratio is calculated by dividing Revenue from operations for the year by the average total assets. Average total assets is calculated as average of total assets at the beginning of the year and at the end of the year.

(13) Working Capital Days: Working capital days is computed as Inventory days plus Trade receivable days minus Trade payable days.
a. Inventory days is calculated as Inventory divided by revenue from operations multiplied by 365 days.
b. Trade receivable days is calculated as Trade receivable divided by revenue from operations multiplied by 365 days.
c. Trade payable days is calculated as Trade payable divided by revenue from operations multiplied by 365 days.

OUR BUSINESS

*Some of the information in the following section including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "**Forward-Looking Statements**" on page 18 for a discussion of the risks and uncertainties related to those statements and the section "**Risk Factors**" beginning on page 29 for a discussion of certain risks that may affect our business, financial condition or results of operations and the "**Restated Consolidated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 269 and 341, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.*

Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to our Company and Subsidiary on a consolidated basis. Unless the context otherwise requires, references to our "Company" refers to ASK Automotive Limited on a standalone basis.

Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 included in this section has been derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus beginning on page 269. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from our Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

*Unless otherwise indicated, industry and market data used in this Draft Red Herring Prospectus has been extracted or derived from the CRISIL Report. We commissioned and paid for the CRISIL Report pursuant to an engagement letter dated November 25, 2022, for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. The CRISIL Report will be available on the website of our Company at www.askbrake.com/Inspection-material-documents. 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 has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See "**Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data**", "**- Internal Risk Factors – Other risks – This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" and "**Industry Overview**" on pages 16, 64 and 127, respectively.*

*The following information should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "**Risk Factors**", "**Industry Overview**", "**Restated Consolidated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 29, 127, 269 and 341, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole.*

Overview

We are the largest manufacturer of brake-shoe and advanced braking ("**AB**") systems for two-wheelers ("**2W**") in India with a market share of approximately 50% in Fiscal 2022 in terms of production volume for original equipment manufacturers ("**OEMs**") and the branded independent aftermarket ("**IAM**"), on a combined basis (*Source: CRISIL Report*). We have been supplying safety systems and critical engineering solutions for more than three decades with in-house designing, developing and manufacturing capabilities. Our offerings are powertrain agnostic, catering to electric vehicle ("**EV**") as well as internal combustion engine ("**ICE**") OEMs. Our brand "ASK" is recognised as the leading brand in the 2W IAM in terms of production volume for Fiscal 2022 in India (*Source: CRISIL Report*).

Our in-house design and engineering capabilities enable us to deliver complex precision components and solutions with a focus on quality and have allowed us to diversify our business in both the automotive and non-automotive sectors. We commenced our operations in 1989 by manufacturing brake shoe products for 2Ws and have since diversified our operations to include offerings such as: (i) AB systems; (ii) aluminium lightweighting precision ("**ALP**") solutions, where we are a prominent player for 2W OEMs in India with a market share of 8% in Fiscal 2022 in terms of production volume (*Source: CRISIL Report*); (iii) wheel assembly to 2W OEMs; and (iv) safety control cables ("**SCC**") products. We supply our portfolio of AB systems, ALP solutions, wheel assembly, and SCC products to OEMs in (i) the automotive sector for 2Ws, three wheelers ("**3Ws**"), passenger vehicles ("**PVs**") and commercial vehicles ("**CVs**"), and (ii) the non-automotive sector for all-terrain vehicles ("**ATVs**"), power tools and outdoor equipment.

The following table sets forth our revenue from operations across offerings for the Fiscals indicated, including as a percentage of our revenue from operations:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
AB systems [1]	10,672.27	41.77%	9,287.18	46.13%	8,165.45	52.89%
ALP solutions	9,931.65	38.87%	7,556.74	37.54%	4,897.04	31.72%
Wheel assembly [2]	3,513.98	13.75%	2,408.96	11.97%	1,687.11	10.93%
SCC products	888.93	3.48%	509.66	2.53%	437.01	2.83%
Others [3]	544.84	2.13%	368.29	1.83%	253.31	1.64%
Revenue from Operations	**25,551.67**	**100.00%**	**20,130.83**	**100.00%**	**15,439.92**	**100.00%**

Notes:

1. *Excluding revenue of our Joint Venture ASK FRAS-LE Friction Private Limited ("**AFFPL**").*
2. *Revenue from providing wheel assembly services for 2W OEMs.*
3. *"Others" include revenue from scrap, dies and other unallocable sales. For further details, see "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" on page 341.*

Braking systems and SCC are considered critical for road safety, requiring technological knowhow and R&D to develop effective and economical products (*Source: CRISIL Report*). Furthermore, braking products have high entry barriers because they are developed using proprietary material formulations and manufacturing knowhow (*Source: CRISIL Report*). SCC are important parts in the automotive industry, used in motorcycles, scooters, mopeds and 2W EVs to actuate, control and operate critical applications including brake, accelerator, clutch, transmission gear, speedometer, fuel lid, seat lock, choke and battery charging lid (*Source: CRISIL Report*).

ALP solutions and products improve performance, safety and efficiency by reducing the weight of components, and assisting in thermal management, thereby increasing durability (*Source: CRISIL Report*). Precision aluminium alloy parts are a critical requirement of the industry, and they are also environmentally friendly and meet end-of-life compliance standards for vehicles (*Source: CRISIL Report*).

We supplied our products to all of the top six 2W OEMs (in terms of production volume and value in Fiscal 2022) in India, the largest motorized 2W market in the world, with domestic sales of 13.73 million units during Fiscal 2022 (*Source: CRISIL Report*). In Fiscal 2022, we commenced commercial supplies to 2W EV OEMs in India, including, India's largest 2W EV OEM by market share in calendar year 2022 (by retail sales volume) (*Source: CRISIL Report*), TVS Motor Company Limited ("**TVS**"), Ather Energy Private Limited ("**Ather**"), Hero MotoCorp Limited ("**Hero MotoCorp**"), Greaves Electric Mobility Private Limited ("**Greaves**"), Bajaj Auto Limited ("**Bajaj**") and Revolt Intellicorp Private Limited ("**Revolt**"). We have long-standing relationships with all six of our top 2W OEM customers ranging from 15 years to more than 20 years, as set out in the table below:

S. No.	Name or description of the customer	Number of years of customer relationship as of March 31, 2023
1.	Hero MotoCorp	29
2.	Honda Motorcycle and Scooter India ("**HMSI**")	22
3.	Bajaj	21
4.	India Yamaha Motor Private Limited ("**Yamaha**")	20
5.	TVS	19
6.	Suzuki Motorcycle India Private Limited ("**Suzuki**")	15

In addition to our customers in India, our Company also increasingly caters to customers overseas, both in the automotive and non-automotive sectors through export of AB systems and ALP solutions. Automotive customers outside India include UFI Filters India Private Limited ("**UFI Filters**"), Federal-Mogul Italy s.r.l. – racing &

motorcycle division ("**Federal-Mogul**"), and FDP Virginia Inc., and our non-automotive customers outside India include Stanley Black & Decker, Polaris Industries Inc. ("**Polaris**") and MTD Products Inc. ("**MTD Products**").

We operate 15 manufacturing facilities across five states in India, majority of which are strategically located in close proximity to our OEM customers and we are developing one new manufacturing facility in Rajasthan. We have also been allotted land in Karnataka from the relevant regulatory authority, on which we propose to develop a manufacturing facility. In addition, our Joint Venture operates one manufacturing facility in Haryana. For further details on our manufacturing facilities, see "***– Manufacturing Locations***" on page 196.

Our business is driven by technology and know-how of advanced material engineering and precision engineering. We focus on design and R&D with more than 30 years of experience in developing customised products to meet the evolving needs of our customers. Our R&D capabilities include: (i) our advanced material engineering capabilities, with a portfolio of 52 proprietary formulations (of which seven had been licensed to us) as of March 31, 2023, that we use in the production of AB systems for 2Ws, 3Ws, PVs and CVs, customized to safety, durability and performance specifications of EV and ICE OEMs; and (ii) our precision engineering, in-house tool designing, design simulation, prototyping and manufacturing abilities, provide us with a competitive advantage in quality, cost and delivery ("**QCD**") parameters. We have the ability to design and develop precision lightweighting solutions for OEMs meeting precise design, technical and quality specifications, enabling automotive OEMs enhance vehicle safety, performance, durability and overall efficiency. Our ability to develop precision lightweighting solutions also enables us to supply critical systems and solutions for ATVs, power tools and outdoor equipment.

For EVs, our lightweighting solutions seek to enable improved thermal management, vehicle range, performance and overall efficiency, while also enhancing the safety of the EV.

We have entered into technology licensing arrangements with global companies as follows: (i) a Japanese manufacturer of asbestos-free brake shoes supplying to 2W manufacturers globally; (ii) NUCAP Industries Inc., Canada ("**NUCAP**") – a global player in patented retention systems (mechanical bonding) for disc brake pads in the 2W, PV and CV sectors; and (iii) Safety Control Cable Ind. Co. Limited ("**HSH**") – a SCC manufacturer serving automobile OEMs globally. We also have a license agreement with a research organisation in the defence sector, pursuant to which we have licensed a semi-solid metal processing technology for Aluminium casting for our ALP solutions. For further details on our technical collaborations, see "– ***Research and Development – Technical Collaborations***" on page 214.

Additionally, our Joint Venture AFFPL supplies AB products to the global and Indian IAM for CVs. Its products have recently been approved by two prominent CV OEMs in India and supplies have commenced.

Our Company is led by our Promoter, Chairman and Managing Director, Mr. Kuldip Singh Rathee, a first-generation entrepreneur who with his experience of more than three decades, has guided our Company to its current market position in the automotive components industry. Furthermore, our Company is run by a professional management team that is guided by our experienced leadership team. For further details on our Directors, Key Management Personnel and Senior Management, see "***Our Management***" on page 241.

We are also committed to sustainability as part of our Environmental, Social and Governance ("**ESG**") focus and have undertaken several initiatives toward our ESG goals. For more details on our ESG initiatives, see "***– Health, Employee Safety, Environment, Social and Governance – Environment, Social and Governance***" on page 218.

We have received numerous awards for quality, performance, delivery, new product development and financial management from our customers. For a list of our awards, see "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 233.

Our Strengths

Well established manufacturer of safety systems and critical engineering solutions for some of India's largest OEMs in an industry with high entry barriers

India is the largest motorized 2W market in the world, with domestic sales of 13.73 million units in Fiscal 2022 (*Source: CRISIL Report*). India is also among the largest exporters of 2Ws in the world (*Source: CRISIL Report*). The 2W market constituted approximately 77% by production volume of the total Indian automotive market in Fiscal 2022, comprising 2Ws, 3Ws, PVs and CVs sectors (*Source: CRISIL Report*). We supplied our products to all of the top six 2W OEMs (in terms of production volume and value) in India during Fiscal 2022 (*Source: CRISIL Report*).

We are the largest manufacturer of brake-shoe and AB systems for 2Ws in India with a market share of approximately 50% in Fiscal 2022 in terms of production volume for OEMs and the branded IAM, on a combined basis (*Source: CRISIL Report*). Furthermore, we were among the prominent players in the SCC products and ALP solutions for 2W OEMs in India, based on production volume in Fiscal 2022 (*Source: CRISIL Report*). Our market share in ALP solutions was 8% by production volume for 2W OEMs in India in Fiscal 2022 (*Source: CRISIL Report*). We have also been focused on increasing our presence in the 3W, PV and CV sectors. We currently supply products to the leading PV manufacturer (in terms of production volume in Fiscal 2022) in the small car segment in India (*Source: CRISIL Report*), among other OEMs in the automotive sector.

We have a comprehensive portfolio of EV and powertrain-agnostic products and as of March 31, 2023 were supplying safety systems and critical engineering solutions to nine 2W EV OEMs in India. In addition, we are developing capabilities for product migration from steel and plastics to Aluminium, for lightweighting and thermal management for e-powertrain and e-powertrain products. For details, see "***Our Business – Our Strategies – "Electrification" – further strengthen our position in the growing EV sector in India***". We also develop and supply select ALP solutions for a wide range of non-automotive applications. Our customers include ATV manufacturers such as Polaris, power tool manufacturers such as Stanley Black & Decker and outdoor equipment manufacturers such as MTD Products.

As a critical component of automotive systems due to their importance to road safety, braking systems are developed using proprietary material formulations and require technological prowess and R&D to develop products that are effective and economical, which creates high entry barriers (*Source: CRISIL Report*). As of March 31, 2023, we had a portfolio of 52 proprietary formulations (of which seven had been licensed to us) that we use in the production of AB systems for 2Ws (both EV and ICE), 3Ws, PVs and CVs.

Precision lightweighting and thermal management solutions under our ALP solutions, such as engine parts, transmission parts, heat sinks for thermal management system, automotive structural solutions and EV specific products, such as motor housing, battery housing and driveline pulleys, require complex engineering processes (*Source: CRISIL Report*). This necessitates close coordination between component manufacturers and OEMs throughout the product development cycle from design to testing and validation to delivery. As a result, OEMs typically have an extensive and detailed vendor approval process and generally require longer periods to onboard new suppliers (*Source: the CRISIL Report*). Due to the capital-intensive nature of our business, coupled with the heavy dependence on complex technology, machinery and systems, the market may be difficult for new entrants to encroach upon, due to its high entry barriers. (*Source: CRISIL Report*).

Robust production model driven by research and development ("R&D") and design with an emphasis on: (i) advanced material knowledge to customize systems and products based on customer specifications and (ii) engineering lighter precision products

We have R&D, engineering and technological capabilities to offer future-ready solutions and customized solutions to cater to our customers' needs. We have undertaken several R&D driven initiatives, including engaging closely with our customers to develop products manufactured for our AB systems, as well as lightweighting solutions for products under our ALP solutions, enabling our customers to capitalize on market growth trends. Our R&D capabilities for AB systems include developing proprietary formulations using advanced material engineering, and customizing the manufacturing process to meet various parameters as specified by our customers. For details on recent R&D initiatives undertaken by us, see "***– Case Studies***" on page 207 and " *– **Research and Development – Research & Development Initiatives***" on page 214.

We develop proprietary formulations through our advanced material engineering and our in-house R&D, design and manufacturing capability. The precision engineering capabilities of our design and R&D teams have enabled us to develop and deploy lightweighting and thermal management solutions across automotive and non-automotive sectors, which help provide us with a competitive advantage in terms of quality, cost and delivery ("**QCD**") parameters. As of March 31, 2023, our total staff (i.e., workforce excluding shop-floor personnel) comprised 330 engineering graduates of which 74 were full-time employees of our R&D and engineering department, which represented 6.03% of our staff and 22% of the engineers employed as part of our staff.

Our R&D efforts are focussed on developing new formulations to address the changing ESG and safety standards. As of March 31, 2023, we had a portfolio of 52 proprietary formulations (out of which seven had been licensed to us) that we use in the production of AB systems for 2Ws, 3Ws, PVs and CVs, meeting stringent safety, durability and performance specifications of EV and ICE OEMs. We implement product and process improvements through field trials, supported by our R&D and engineering department that tracks real time data using advanced data logger systems. Our R&D centre is equipped with advanced dynamometers that imitate realistic scenarios for measuring performance, product life and noise levels in our AB systems. The use of such data loggers and dynamometers enables us to design formulations to suit our customers' evolving specifications and enhance market adaptability of our systems and solutions. We have also invested in testing equipment and software to enhance our product design capabilities.

Similarly, our R&D capabilities for our ALP solutions include the ability to design and prototype complex components and parts, and deliver on specific lightweighting specifications to meet all safety and performance requirements for our customers. Our R&D initiatives have also enabled our customers to seek import substitution (i.e., encouraging production in the domestic markets to limit the extent of imports).

We propose to roll out products and solutions for 71 programs for the automotive industry and 12 programs for the non-automotive industry during Fiscal 2024, as stipulated in the customer agreements entered into by us. The table below sets forth certain information on our proposed programs:

Automotive Industry:

Start of Production (Half-year based on Fiscal Year during which production date is stipulated under respective agreements)	Number of Programs	Customer Description	Category
H1 2024	64	• India's largest 2W OEM (by production volume in Fiscal 2022) * • India's second largest 3W OEM (by production volume in Fiscal 2022) * • India's fourth largest 2W OEM (by production volume in Fiscal 2022) * • India's fourth largest 3W EV OEM (by production volume in Fiscal 2022) * • India's fifth largest PV OEM (by production volume in Fiscal 2022) * • Key player in powertools * • 2W EV OEM and 2W ICE OEM • Supplier of throttle body systems to PV OEMs • Industrial lawn mover OEM • Supplier of starter motor housing and drive frames for PV OEM • Supplier of gearbox system • Supplier of air brake valves to CV OEMs	2W, 3W, PV, CV
H2 2024	7	• India's largest 2W OEM (by production volume in Fiscal 2022) * • Key player in powertools * • Supplier of water pump system to PV OEM • Supplier of air brake valves to CV OEMs	2W, PV, CV

** Source: CRISIL Report*

Non-Automotive Industry:

Start of Production (Half-year based on Fiscal Year during which production date is stipulated under respective agreements)	Number of Programs	Customer Description	Category
H1 2024	9	• Key player in powertools * • Industrial lawn mover OEM; and • Supplier of gearbox system	Outdoor equipment, power tool
H2 2024	3	• Key player in powertools *	Power tools

* *Source: CRISIL Report*

For further details on our programs, see " *– **Program Pipeline***" on page 210. We license technology from global companies seeking to leverage our manufacturing capabilities and provide customized solutions to our customers. For further details on our technical collaborations, see "*– **Research and Development – Technical Collaborations***" on page 214.

Furthermore, we entered into a joint venture agreement in 2018 with FRAS-LE, S.A. ("**FRAS-LE**"), a global producer of brake pads and linings for CVs. Our Joint Venture AFFPL supplies AB products to global and Indian IAM for CVs and to Indian OEMs in the CV sector, and its products have recently been approved by two prominent CV OEMs in India and supplies have commenced.

Technology and innovation-driven manufacturing process, with an extensive suite of systems and solutions for EV and ICE sectors

Technology and innovation play a critical role in the development of our safety systems and critical engineering solutions. We engage in ongoing R&D and design activities to develop and offer innovative and customized systems and solutions that meet our customers' requirements in both the EV and ICE sectors. Furthermore, we have a demonstrated track record of developing technologically advanced products as per the requirements of our customers. For details on our track record, see "***– Case Studies***" on page 207.

Our technology and innovation focus also complements our manufacturing capabilities. We have introduced automation in our manufacturing processes that allows us to combine operations, eliminate multiple operators, retain control over our proprietary formulations and increase efficiency, while controlling costs and maintaining consistent product quality. Furthermore, our production line configurations are fungible, allowing us to interchange capacity and product mix between product categories within and across automotive and non-automotive sectors, based on customer and operational requirements. Our fungible production line configurations, coupled with our recent shift in operations from ASK-6 (Manesar, Haryana) to ASK-12 (Manesar, Haryana) (which is a larger facility), have enabled us to optimise our machine productivity and operational efficiency.

Our offerings in the automotive sector are powertrain-agnostic, catering to the EV as well as ICE OEMs. The table below sets forth our revenue from 2W OEMs (EV and ICE) for the Fiscals stated:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Revenue (₹ million)	***% of revenue from operations from 2W OEMs***	***Revenue (₹ million)***	***% of revenue from operations from 2W OEMs***	***Revenue (₹ million)***	***% of revenue from operations from 2W OEMs***
2W OEM ICE	18,962.50	97.70%	14,450.02	99.35%	10,815.26	100.00%
2W OEM EV	447.22	2.30%	94.64	0.65%	0.22	0.00%
Total Revenue from 2W OEM	**19,409.72**	**100.00%**	**14,544.66**	**100.00%**	**10,815.48**	**100.00%**

Notes:

*(1) Includes sale of original equipment spares ("**OES**").*

We entered the EV sector in Fiscal 2021 to complement our existing suite of systems and solutions for the ICE sector. We have developed technologically advanced products based on customer specifications in the EV sector, including e-powertrain pulleys for a 2W EV customer to help achieve lightweighting for its vehicles.

As a technology and innovation-driven company, we are well positioned to capture market share in the growing EV sector. For example, the increased adoption of electrification is expected to result in additional focus on lightweighting, which in turn should increase usage of ALP solutions in the 2W, 3W, CV and PV sectors, resulting in an increase in the average quantity of aluminium used per vehicle in India for new product innovations for use in EVs (*Source: CRISIL Report*). This will enable us to increase the content of our products, systems and solutions per vehicle, that we aim to achieve through our comprehensive suite of powertrain-agnostic products. EVs are gaining interest globally, including in India, and their sales are growing faster than ICE vehicles across the 2W, 3W and PV sectors (*Source: CRISIL Report*). In Fiscal 2022, 2W EV sales in India totalled 0.32 million units, compared to 0.14 million units in Fiscal 2021, demonstrating a year on-year growth of 124% (*Source: CRISIL Report*). Sales of high speed 2W EVs totalled 0.27 million units in the first half of Fiscal 2023, similar to sales in the previous Fiscal year (*Source: CRISIL Report*). The 2W EV sector penetration is expected to reach 25% to 30% by Fiscal 2027, growing at a CAGR of 84% to 86% between Fiscals 2022 and 2027 (*Source: CRISIL Report*).

Long-standing customer relationships with both Indian and global OEM players

Our experience in developing complex critical safety systems and solutions has led to established relationships with several customers. Globally, our customers include players such as Stanley Black & Decker, Polaris, and MTD Products. In India, our customers include the top six 2W OEMs (in terms of production volume and value for Fiscal 2022) (*Source: CRISIL Report*). We have been serving each of the top six 2W OEMs in India for more than 15 years as of March 31, 2023, and some of them since 1994. We have been successful in developing customer relationships and supply to EV based 2W OEMs in India such as India's largest 2W EV OEM by market share in calendar year 2022 (by retail sales volume) (*Source: CRISIL Report*), TVS, Ather, Hero MotoCorp, Greaves, Bajaj and Revolt.

Given the safety and precision engineering aspect of our products, we are involved at the early stage of development of vehicle models by our customers. Furthermore, apart from QCD and other parameters, our design and R&D capabilities have contributed towards the building of these long-standing relationships. Our ability to work closely with our customers, providing them with safety systems and customized critical engineering solutions, extensive experience in manufacturing precision and lightweighting products have contributed to our long-standing relationships with key 2W OEMs in India. Furthermore, we have a demonstrated track record of value addition and value engineering capabilities, helping our customers in import substitution (i.e., encouraging production in the domestic markets to limit the extent of imports). For further details, refer to "***– Case Studies***" on page 207.

Our customers benefit from a faster turnaround time on account of our in-house tooling and prototyping capabilities. In addition, our facilities are located at strategic locations across India in proximity to key OEMs, enabling us to engage in greater customer interaction and respond quickly to their needs. For further details on our manufacturing facilities, see "***– Manufacturing Locations***" on page 196.

We attribute our long-standing relationships with our customers to our focus on timely delivery, quality consciousness, cost efficiency, design, tooling and technological capabilities. We intend to diversify and expand our business operations in accordance with the evolving needs of our customers and intend to leverage our long-standing relationship with such market players allows us to leverage industry tailwinds in the automotive sector.

Furthermore, as a result of our performance, we have received numerous awards for quality, delivery, new product development, and financial management from our customers. For a list of our awards, see "***– Awards and Recognition***" on page 223 and "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 233.

Financial and return metrics demonstrating growth and efficient use of capital

Our revenue from operations has grown at a CAGR of 28.64% between Fiscals 2021 and 2023, demonstrating growth in our financial performance in recent years, and positioning us for future growth and further diversification of our customer base and offerings. The table below sets forth certain financial information for the Fiscals stated:

Particulars	Unit	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	in ₹ million	25,551.67	20,130.83	15,439.92
EBITDA		2,475.45	1,822.58	2,101.02
Return on Average Capital Employed (RoACE)	%	22.06%	16.76%	21.98%
Working capital days [(1)]	days	27.74	26.60	28.82

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

We depend on (i) continued investments in R&D and engineering capabilities; (ii) manufacturing infrastructure to support revenue growth; and (iii) delivery of high-quality products critical for our customers for our financial performance.

For additional details on our financial performance, see "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" on page 341.

Professional management and board

We are led by our Promoter, Chairman and Managing Director, Mr. Kuldip Singh Rathee, a first-generation entrepreneur who established the business in 1988 and has more than three decades of experience in the automotive industry. Our experienced Board of Directors, Key Managerial Personnel and members of Senior Management comprise professionals with knowledge, understanding and experience in the automotive industry. Furthermore, Mr. Rathee is supported by our Whole-Time Directors Mr. Prashant Rathee and Mr. Aman Rathee. With experience in the manufacturing sector, Mr. Prashant Rathee is responsible for the operations vertical at our Company. Mr. Aman Rathee is also experienced in the manufacturing sector in the automotive and non-automotive industries and leads the R&D and marketing verticals at our Company.

Our Promoters and certain of our Key Management Personnel and members of Senior Management have been with us for more than 10 years, demonstrating continuity and commitment in our leadership. Our senior management team has played an instrumental role in solidifying customer relationships. We rely on our leadership and management team's guidance to provide us with a competitive advantage as we seek to grow our business. Our management also includes an experienced team of professionals across senior and mid-level management. In addition, we have a dedicated team of engineers along with technically qualified workforce. We continuously strengthen our engineering expertise by providing in-house training to our workforce to diversify their skillsets and keep them updated with the latest changes in manufacturing technologies and processes. In addition, the commitment of our workforce at the entry level has allowed us to ensure operational efficiency in our business.

Our Strategies

"Electrification"– further strengthen our position in the growing EV sector in India

The key trends and growth drivers for electrification include changes in regulations and policies, total cost of ownership and growing awareness about environmental issues (*Source: CRISIL Report*). The GoI, through various ministries, has formulated policies, such as the FAME II subsidy policy, for the development of the EV sector in India (*Source: CRISIL Report*). For further details on the key trends and growth drivers for electrification, see "***Industry Overview – Key upcoming regulations***" on page 157.

The global trend toward vehicle electrification in particular provides us with growth opportunities in the EV sector. Momentum for EVs is being driven by a number of factors, including a global recognition of the need for clean mobility; norms, targets and incentives provided by several governments to promote EV adoption; improving affordability and performance of EVs; the rapid expansion of EV charging infrastructure; and OEM plans for electrification (*Source: CRISIL Report*).

Growing population and urbanization provide opportunities in the automotive sector, as they call for increasingly fast, safe and reliable transportation modes (*Source: CRISIL Report*). Electrification and other energy and eco-friendly solutions result from growing energy demand that is coupled with growing public awareness of energy efficiency and increasing public policies on energy, such as stricter emission laws (*Source: CRISIL Report*). EVs hold a high potential for emission-efficient mobility solutions across the world, including 2Ws, 3Ws and PVs supported by government incentives for setting up EV charging infrastructure and vehicle purchase subsidies which have helped in increasing demand for EV's and reducing battery prices due to increase in production capacities across the world (*Source: CRISIL Report*).

Our product offerings are powertrain-agnostic, catering to the EV as well as ICE sectors of 2Ws, 3Ws, PVs and CVs. Going forward, our commitment and focus towards ESG will continue increasing as we plan to increase the EV share of our revenue. While we currently offer our products to pure-play 2W EV OEMs in India such as India's largest 2W EV OEM by market share in calendar year 2022 (by retail sales volume) (*Source: CRISIL Report*), Ather, Greaves and Revolt, we also supply products to existing customers such as TVS, HMCL and Bajaj for their recently launched range of 2W EVs as they transition to EV. We intend to similarly capitalize on the EV transition of our existing 2W OEM customer base.

The following table sets forth the number of safety systems and critical engineering solutions being supplied and under development for 2W EV OEMs as of March 31, 2023:

Part Name	**2W EV OEM1**	**2W EV OEM2**	**2W EV OEM3**	**2W EV OEM4**	**2W EV OEM5**	**2W EV OEM6**	**2W EV OEM7**	**2W EV OEM8**	**2W EV – T1**	**2W EV OEM9**	**Total**
	Number of safety systems and critical engineering solutions										
ALP Solutions Total	**18**	**7**	**6**	**4**	**5**	**1**	**-**	**-**	**1**	**-**	**42**
Supplying	13	4	6	4	3	-	-	-	-	-	30

Part Name	2W EV OEM1	2W EV OEM2	2W EV OEM3	2W EV OEM4	2W EV OEM5	2W EV OEM6	2W EV OEM7	2W EV OEM8	2W EV – T1	2W EV OEM9	Total
	Number of safety systems and critical engineering solutions										
Under Development	5	3	-	-	2	1	-	-	1	-	12
AB Systems Total	**-**	**-**	**-**	**2**	**1**	**4**	**1**	**2**	**-**	**1**	**11**
Supplying	-	-	-	2	1	1	1	2	-	1	8
Under Development	-	-	-	-	-	3	-	-	-	-	3
SCC Products Total	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2**
Supplying	-	-	2	-	-	-	-	-	-	-	2
Under Development	-	-	-	-	-	-	-	-	-	-	-
Total	**18**	**7**	**8**	**6**	**6**	**5**	**1**	**2**	**1**	**1**	**55**
Supplying	13	4	8	6	4	1	1	2	-	1	40
Under Development	5	3	-	-	2	4	-	-	1	-	15

Electrification and lightweighting trends have led to increased revenue realization of various components since the vehicle level bill of materials supplied to an EV OEM is higher as compared to an ICE OEM (*Source: CRISIL Report*). Consequently, through various R&D initiatives, we have been working towards widening our portfolio of EV specific products providing lightweighting and thermal management solutions to 2W EV OEMs. Our systems and solutions are aimed towards helping OEMs enhance the vehicle range, safety and improve overall efficiency of the EV. Furthermore, our R&D capabilities also help improve our precision engineered manufacturing processes, enabling OEMs achieve lightweighting for additional vehicle parts and components.

The table below sets forth the impact of the transition from ICE to EV for AB systems, ALP solutions and SCC products in the 2W market:

Segment	Category	Product	Vehicle Segment: ICE	Vehicle Segment: EV (HEV, BEV)
Advanced Automotive Braking Solutions	Braking	Brake panel assembly, brake shoe, disc brake pad (DBP), brake lining, mission case	—	—
Aluminium Light weighting Precision Solutions	EV Specific	Motor housing	—	⇈
		Battery housing	—	⇈
		Wheel pulley	—	⇈
	Electrical/Electronics	ECU housing/ECU heat sink	—	⇈
	Transmission parts	Flange final driven	—	↑
	Body/Chassis Parts	Pillion grip, footrest assembly, speedometer cable housing, wiper housing, hub	—	—
	Engine Parts	Crankcase, crankcase cover, filter housing, cylinder block, throttle body, engine cover	—	⇊
Safety Control Cable Solutions	Cables	Choke cable, clutch cable, brake cable (front & rear), speedometer cable, throttle cable, seat lock cable, fuel cable	—	↓

↑ Improved realizations ⇈ Significant improved realizations — No transition impact ↓ Reduced realizations ⇊ Significant reduced realizations

Source: CRISIL Report

EV penetration in the 2W market in India is expected to reach 25% to 30% by Fiscal 2027, growing at a CAGR of 84% to 86% between Fiscal 2022 and Fiscal 2027, and the demand for 3W EVs is expected to grow at a CAGR of approximately 66% to 68% between calendar years 2022 and 2027 (*Source: CRISIL Report*). With more model launches by OEMs, issues of range anxiety (i.e., apprehension that the vehicle will be drained of charge midjourney) being addressed and declining battery prices, EV volume is expected to grow at a fast pace globally (*Source: CRISIL Report*). With our existing portfolio of EV specific products, we are well positioned to capture the growth trend in revenue realization per component with increasing electrification, both in India and globally. Furthermore, with the capability to design and develop precision engineered solutions, and our presence and market share in powertrain-agnostic products like AB systems, we can increase our content per vehicle across EV OEM categories in the 2W, 3W, PV and CV sectors, and to that effect, are continuously investing in R&D to develop and deliver new and innovative safety systems and critical engineering solutions.

As part of our strategy to strengthen our position in the EV market, we have leveraged our experience in developing AB systems and ALP solutions, which have undergone a transition, and are working on developing new products for OEMs enabling them to achieve a further reduction in weight, enhanced performance and improved vehicle acceleration via high performance driveline products and improved efficiencies.

We have in the past and intend to continue to capitalize on the growing trend for aluminum lightweighting in electric and hybrid vehicles. Aluminum is the most used metal by automakers and allows lightweighting while improving performance standards, safety and corrosion (*Source: CRISIL Report*). According to the European Aluminum Association, aluminum can be 40% lighter than steel, and is used to build lighter and stronger vehicles (*Source: CRISIL Report*). The high thermal conductivity of aluminum assists in moving heat away from critical components such as battery and electronics in an EV where high heat can adversely affect the performance and safety of the vehicle (*Source: CRISIL Report*). Hence, aluminum is also finding growing application in EVs (*Source: CRISIL Report*). With EV penetration increasing, the application of aluminum in automobiles is expected to grow, as the use of this metal helps to improve the performance of EVs (*Source: CRISIL Report*). For example, lightweighting can increase a vehicle’s efficiency, translating to ranges for batteries, consequently lowering the range anxiety of customers (*Source: CRISIL Report*). With a high focus on energy efficiency and range anxiety in EVs, lightweighting is gaining increasing focus from automakers globally (*Source: CRISIL Report*). Even in ICE vehicles, the need for lower greenhouse gas emissions has seen adoption of materials such as aluminum and magnesium, which are used to make thinner body panels and other structural members that can improve fuel efficiency (*Source: CRISIL Report*).

To leverage the expected growth in demand for 2W EVs, we have 16 new programs under development for the EV sector proposed to start production in Fiscal 2024. Our new programs under development in the EV sector are set forth below:

S. No.	Customer Description	Category	Start of Production (Half-year based on Fiscal Year during which production date is stipulated under respective agreements)	No. of safety systems and critical engineering solutions
1.	• India’s fourth largest 2W OEM (by production volume in Fiscal 2022) (*Source: CRISIL Report*) • 2W EV OEM	2W	H1 2024	16

Continue to focus on our design, R&D and engineering capabilities to develop innovative systems and solutions, as well as improve our manufacturing efficiencies

Our business is driven by innovation and technology, and we have been identifying, planning and addressing industry disruptions by bringing new solutions to the market. We use R&D to continuously enhance our advanced material engineering capabilities to formulate advanced materials for braking systems meeting stringent safety, durability and performance specifications for EV and ICE OEMs. As of March 31, 2023, our total staff (i.e., workforce excluding shop-floor personnel) comprised 330 engineering graduates of which 74 were full-time employees of our R&D and engineering department, which represented 6.03% of our staff and 22% of the engineers employed as part of our staff.

The growing need for safety systems in the automotive sector is expected to increase demand for efficient automotive brake components such as, brake shoes, brake pads, brake liners, brake callipers and brake panel assembly (*Source: CRISIL Report*). Ongoing product development using our design, R&D and engineering capabilities remains a core focus area for our Company, and we aim to continue this in the future. We regularly work with OEMs to develop customized products for them, including those which were traditionally produced by them in-house. This enables us to increase wallet share, while simultaneously enabling us to diversify our product basket, offering OEMs with newer solutions for their existing products, thereby also increasing the content per vehicle of our products. For instance, the successful migration from sintered material to Aluminium in e-powertrain geared pulleys, has led to increased adoption of ALP solutions in 2W EVs. In Fiscal 2022, we developed e-powertrain geared pulleys using Aluminium for a 2W EV OEM to achieve lightweighting for their vehicles. We are also currently developing capability for product migration from steel and plastics to Aluminium, for lightweighting and thermal management for e-powertrain and e-powertrain products. For further details, please refer to "***– Case Studies***" and " ***– Program Pipeline***" on pages 207 and 210, respectively.

The core philosophy of our Company is continued focus on driving operational excellence, which we have achieved by way of continuous development and improvement of our manufacturing processes and QCD parameters. As a manufacturing company, we continue to strive to achieve higher operational efficiencies and cost optimization, developing long-standing relationships with our OEM customers. Furthermore, our tooling capabilities, automation of manufacturing processes, adherence to high standards of quality and consistency help in achieving operational efficiency and maintain our QCD parameters. As a result of our efficiency efforts, we have been able to deliver RoACE of 22.06%, 16.76% and 21.98% in Fiscals 2023, 2022 and 2021, respectively.

Further diversify our product offerings in the AB systems and ALP solutions categories and expand our addressable market

We intend to leverage our established and long-standing customer relationships and explore opportunities to grow along the value chain by expanding the suite of our existing offerings across sectors, products and processes. As part of our strategy, we have already expanded our business from providing safety systems and critical engineering solutions for 2W OEMs to providing critical engineering solutions to PV OEMs.

Sector diversification

- We intend to develop and manufacture additional safety systems and critical engineering solutions for CV and PV OEMs, where we can leverage our engineering capabilities. With a demonstrated track record of developing safety systems and critical engineering solutions for the automotive and non-automotive sectors, we believe our manufacturing capabilities can be further leveraged to cater to several non-automotive sectors, such as the ATV, power tools, defence and agriculture sectors. Furthermore, our existing key product families in the automotive sector have multiple applications across various non-automotive sectors as well.

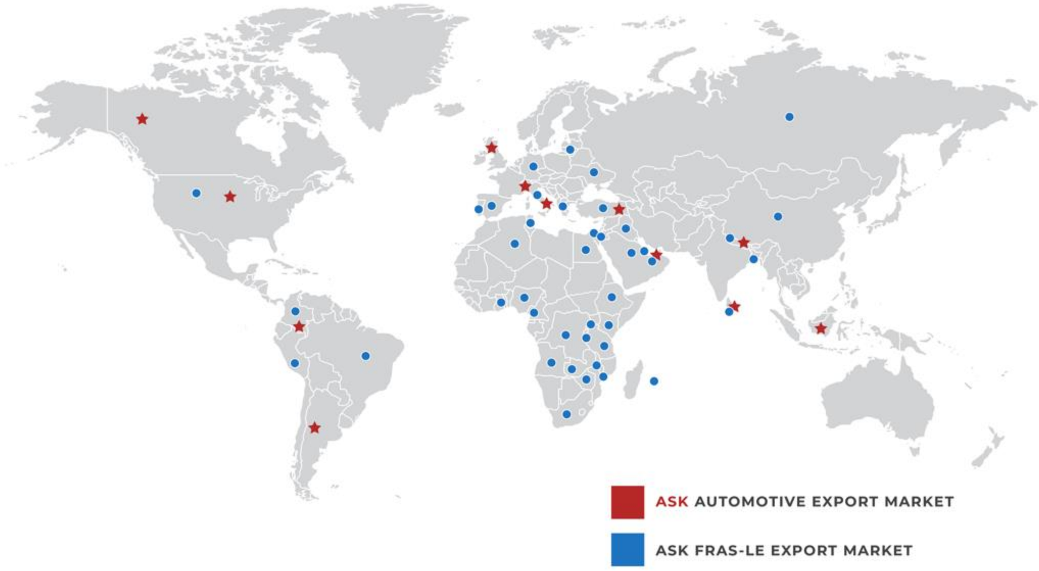
Product and process diversification

- Our long-standing experience and market leadership in AB systems in India along with our manufacturing capabilities, positions us well to cross-sell our ALP solutions and SCC products. Over the years in the ALP solutions category in particular, we have focused on moving up the value chain of complexity and specialization by enhancing our manufacturing capabilities to produce complex precision components for several of our customers. As our technological capabilities evolve, we intend to increase our focus on further diversifying our product portfolio while also providing more complex precision engineered components to our customers across the world.

- We have grown to have an established presence as an AB manufacturer in India, scaled our ALP solutions significantly, and have recently entered the SCC business, illustrating our ability to diversify our business. We intend to similarly expand our capabilities and introduce low pressure die-casting ("**LPDC**") and gravity die-casting ("**GDC**") at our upcoming manufacturing facility Bhiwadi, Rajasthan, in addition to our existing high pressure die-casting ("**HPDC**") capabilities. For details relating to our new manufacturing facilities, see "***Manufacturing** – **Planned New Manufacturing Facilities***" on page 201.

Leverage export opportunities and enter new markets

We exported our products to 12 countries in Fiscal 2023, as illustrated below:



We intend to enter new markets by leveraging our existing relationships with customers outside India. Our export customers include Stanley Black & Decker, Polaris and MTD Products. Furthermore, we are focused on increasing our export revenues for our AB systems and ALP solutions. Our export revenue (net) has grown at a CAGR of 29.95% from ₹550.49 million in Fiscal 2021 to ₹929.68 million in Fiscal 2023, demonstrating a track record of growth, and of navigating changes in the global automotive systems and manufacturing industry, and with our technological and manufacturing capabilities, seek to benefit from the China-plus-one strategy being adopted by OEMs globally. We intend to focus on consolidating our market share in India while increasing our global presence across our existing portfolio of AB systems, ALP solutions and SCC products. To that end, we established a dedicated export desk in Fiscal 2022 to manage our existing export portfolio and explore new markets outside India.

Increased focus on IAM sales and spares

Our growth strategy involves expanding our distribution network with a wide portfolio of technologically advanced critically engineered products for the IAM across India. We serve IAM across the 2W, 3W, and PV sectors supplying our AB systems and SCC products. We have also strengthened our presence in the CV sector through our Joint Venture AFFPL, which has been supplying AB products in the IAM for CVs in India and globally. Revenue from the IAM grew at a CAGR of 9.15% from Fiscal 2021 to Fiscal 2023. The table below sets forth revenue from the IAM for the Fiscals stated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue (₹ million)	*% of revenue from operations*	*Revenue (₹ million)*	*% of revenue from operations*	*Revenue (₹ million)*	*% of revenue from operations*
Revenue from the IAM	2,803.42	10.97%	2,546.21	12.65%	2,353.15	15.24%

We intend to increase our focus on our IAM sales service to capitalize on significant opportunities for growth in the future. We aim to further expand our IAM presence and reinforce our brand image and visibility, allowing us to capture additional market share and enhance our brand positioning, particularly with IAM sales being a business-to-consumer channel.

Our leadership in the OEM and OES market for 2W AB systems, combined with our brand recall and global distribution network, allow us to reduce the time taken to enter newer markets and sectors in the IAM for our AB systems and SCC products. Going forward, we intend to grow our IAM sales through a variety of initiatives, including increasing product penetration through the introduction of new products and models by OEMs and expanding our distribution network in India.

Description of Business

Our Products

We manufacture and supply (i) automotive components with a key focus in AB systems, ALP solutions and SCC products for the 2W, 3W, PV and CV sectors; (ii) non-automotive components for ATV and outdoor equipment and power tools; and (iii) other items including excess scrap and dies.

The following table sets forth our revenue from the sale of products to the automotive (including EVs and ICE) and non-automotive sectors for the Fiscals stated, including as a percentage of our revenue from operations:

	Fiscal 2023		Fiscal 2022		Fiscal 2021	
Particulars	***Revenue (₹ million)***	***% of total revenue from operations***	***Revenue (₹ million)***	***% of total revenue from operations***	***Revenue (₹ million)***	***% of total revenue from operations***
Revenue from Automotive Sector OEMs *						
2W ICE	18,962.50	74.21%	14,450.02	71.78%	10,815.26	70.05%
2W EV	447.22	1.75%	94.64	0.47%	0.22	0.00%
Others (1)	117.72	0.46%	147.89	0.73%	121.38	0.79%
Total Revenue from Automotive OEMs *	**19,527.44**	**76.42%**	**14,692.55**	**72.98%**	**10,936.86**	**70.84%**
Non-Automotive OEM *	**707.73**	**2.77%**	**743.54**	**3.69%**	**198.60**	**1.29%**
IAM	**2,803.42**	**10.97%**	**2,546.21**	**12.65%**	**2,353.15**	**15.24%**
Others (2)	**2,513.08**	**9.84%**	**2,148.53**	**10.68%**	**1,951.31**	**12.63%**
Revenue from Operations	**25,551.67**	**100.00%**	**20,130.83**	**100.00%**	**15,439.92**	**100.00%**

** Includes sale of original equipment spares*
Notes:
(1) Others includes 3W, PV and CV OEMs
(2) Others includes sales to component manufacturers (Tier1 and Tier2) for onward sales to OEMs, scrap, dies and other unallocable sales

Description of Products

AB systems

The braking system is one of the most critical parts in a vehicle for safety reasons. Braking systems have become increasingly important and complex, given more powerful vehicles being introduced in the market along with developments in road infrastructure; an effective braking system is necessary to stop vehicles at high speeds while also ensuring the safety profile of the vehicle and reduced noise pollution (*Source: CRISIL Report*). In addition, growing safety standards have also made these improvements to braking systems essential (*Source: CRISIL Report*).

We manufacture braking systems, such as brake shoes, disc brake pads, brake linings and brake assembly. Our products in our braking category are highly engineered and require advanced manufacturing processes to maximize end user performance.

Given the importance of braking systems in automotive systems, a high level of accuracy and adherence to high safety standards is required (*Source: CRISIL Report*). This necessitates coordination between component manufacturers and OEMs throughout the product development cycle from design to testing, validation to delivery, which is also backed by R&D and technical support of our partners. OEMs typically have an extensive and detailed vendor approval process and generally have long gestation periods to onboard a new supplier (*Source: CRISIL Report*). Our material engineering capabilities and proprietary formulations allow us to manufacture critical and complex braking systems, that we provide to our key customers including HMSI, HMCL, TVS, Suzuki, Bajaj, and Yamaha.

Our revenue from this category increased at a CAGR of 14.32% from ₹8,165.45 million in Fiscal 2021 to ₹10,672.27 million in Fiscal 2023 and represented 41.77% of our revenue from operations in Fiscal 2023.

AB Systems – Brake panel assembly, brake shoes, disc brake pad, brake lining.

Brake Panel Assembly

Brake Shoe

Brake Pads

Brake Linings

ALP solutions

Lightweighting is a crucial aspect for the transport sector in improving vehicle performance, energy efficiency and emissions, and making safer vehicles (*Source: CRISIL Report*). We use aluminium for lightweighting to improve performance standards, safety, and corrosion, given that aluminium is 40% lighter than steel and is frequently used to build lighter and stronger vehicles (*Source: CRISIL Report*). The metal possesses high thermal conductivity which can assist in moving heat away from critical components such as battery and electronics in an EV where high heat can adversely affect the performance and safety of the vehicle (*Source: CRISIL Report*). Given our use of Aluminium, we were able to penetrate the EV sector with our lightweighting solutions.

Our business in ALP solutions is further sub-divided into engine parts, body/chassis parts, transmission parts, electrical/electronics parts, e-powertrain and EV-specific components. Our key products in our ALP sub-category include battery pack housing, de-casing motor, electric control unit ("**ECU**") housing, heat sinks for thermal management system, geared pulley for e-powertrain, crank case, crank case cover, wheel hub, cylinder block, rider handle, throttle body, engine cover, footrest assembly, flange final sub-assembly, filter housing for different industry sectors including for 2W (EV and ICE), PV, CV and non-automotive applications such as ATVs, power tools and outdoor equipment.

Given our engineering capabilities in this category, we cater to domestic and export markets, and our key customers include HMSI, HMCL, TVS, Yamaha, Suzuki, Royal Enfield (a unit of Eicher Motors Limited) ("**Royal Enfield**"), Polaris, Denso Haryana Private Limited ("**Denso**"), Stanley Black & Decker, MTD Products, Brembo Brake India Private Limited ("**Brembo**"), Dell'orto India Private Limited, UFI Filters, Magneti Marelli Powertrain India Private Limited, and Knorr Bremse Systems for Commercial Vehicle Private Limited ("**Knorr Bremse**").

Our revenue from this category increased at a CAGR of 42.41% from ₹4,897.04 million in Fiscal 2021 to ₹9,931.65 million in Fiscal 2023 and represented 38.87% of our revenue from operations in Fiscal 2023.

Demolition Hammer Housing

Structural Arm - ALP

Crank Case R

EV Motor Housing

ND Casing

Battery Housing

ECU Casing

ECU Body

Pulley

Heat Sink Thermal Management

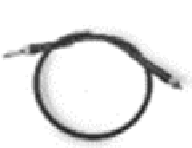
SCC

Control cables are key component systems of the automobile industry and are used in motorcycles, scooters, mopeds, and EVs to actuate, control and operate applications such as brake, accelerator, clutch, transmission, gear, speedometer, fuel lid, seat lock, choke, and battery charging lid (*Source: CRISIL Report*). We manufacture a comprehensive range of control cables, and our key SCC products include front brake cable, rear brake cable, combi brake cable, seat lock cable, throttle cable, fuel lid cable clutch cable, speedometer cable, cable seat latch, battery lid cable, for 2Ws, PVs and heavy CVs. Our key customers include HMSI, HMCL and Suzuki.

Our revenue from SCC products increased at a CAGR of 42.62% from ₹437.01 million in Fiscal 2021 to ₹888.93 million in Fiscal 2023 and represented 3.48% of our revenue from operations in Fiscal 2023.

SCC – Choke cable, clutch cable, brake cable, speedometer cable, throttle cable, seat lock cable, fuel cable

Seating Cables



Front Brake Cable Assembly

Rear Brake Cable Assembly

Throttle Cables

Speedometer Cables

Wheel Assembly

Our wheel assembly service lines follow customers' instructions and specifications in assembling components supplied by the customer and/ or other vendors. We provide wheel assembly services to certain 2W OEMs in India and propose to convert our service arrangements into job-work agreements in the coming years. See "***Management's Discussion and Analysis of Results of Operations and Financial Condition – Significant Factors Affecting our Financial Condition and Results of Operations***" on page 343.

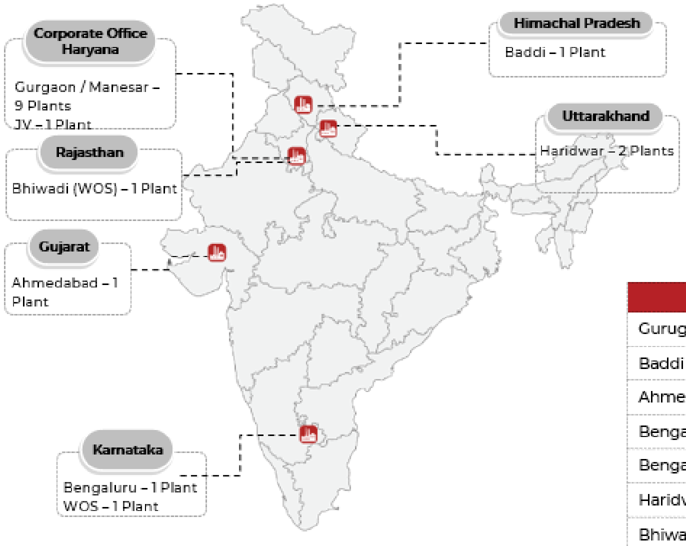
Our revenue from wheel assembly services increased at a CAGR of 44.32% from ₹1,687.11 million in Fiscal 2021 to ₹3,513.98 million in Fiscal 2023 and represented 13.75% of our revenue from operations in Fiscal 2023.

Manufacturing Facilities

We operate 15 manufacturing facilities across five states in India. In addition, our Joint Venture operates one manufacturing facility in Haryana. Our facilities are equipped with advanced machinery and majority of our facilities are located close to our key customers to enable us to better meet our customers' just-in-time delivery schedules. At the same time, our customers enjoy better economies of scale and logistical advantages, insulating them from local supply or similar disruptions. Furthermore, our production line configurations are fungible, allowing us to interchange capacity and product mix between product categories within and across automotive and non-automotive sectors, based on customer and operational requirements.

Manufacturing Locations

The following map shows the locations of our 15 operational manufacturing facilities, one planned facility, and one facility that is operated by our Joint Venture in India as of March 31, 2023. In addition to these facilities, we have been allotted land in Karnataka from the relevant regulatory authority, on which we propose to develop a manufacturing facility.



Locations	State	No. of Plants
Gurugram/Manesar	Haryana	10
Baddi	Himachal	01
Ahmedabad	Gujarat	01
Bengaluru	Karnataka	01
Bengaluru	Karnataka	01
Haridwar	Uttarakhand	02
Bhiwadi	Rajasthan	01
Total		**17**

WOS – ASK Automobiles Private Limited, a wholly owned subsidiary of our Company
JV – ASK FRAS-LE Friction Private Limited

Manufacturing Capacity and Capacity Utilisation at our 15 facilities

The tables below set forth a summary of the product-wise installed capacity and capacity utilisation of our products manufactured for the Fiscals stated:

Product Category	Products Manufactured	Unit of Measurement	Fiscal ended											
			March 31, 2023				March 31, 2022				March 31, 2021			
			Installed capacity(3)	Capacity available(4)	Actual production(5)	Capacity Utilisation(6) (%)	Installed capacity(3)	Capacity available(4)	Actual production(5)	Capacity Utilisation(6) (%)	Installed capacity(3)	Capacity available(4)	Actual production(5)	Capacity Utilisation(6) (%)
AB	Brake Shoe(1)	Pieces in million	205	194	154	79.30%	192	192	143	74.85%	192	192	142	74.30%
AB	Brake Panel Assembly	Pieces in million	19	19	11	56.88%	19	19	10	51.03%	19	19	10	53.55%
AB	Disc Brake Pad	Pieces in million	17	17	10	57.08%	17	17	9	55.51%	17	17	9	54.35%
ALP	Pressure Die Castings(2)	Tonnes	51,807	51,772	39,359	76.02%	50,787	50,152	31,363	62.54%	49,311	49,432	29,962	60.61%
SCC	Cables	Pieces in million	43	43	17	39.59%	24	23	10	44.88%	21	17	10	58.88%

Notes:

(1) Brake Shoe is sold to customers or used captively in brake panel assembly. For each brake panel assembly, two pieces of brake shoe are used.

(2) Pressure die castings are used in brake shoes, the brake panel assembly and ALP solutions.

(3) The installed capacity for the above dates is calculated based on the past production mix in the respective Fiscal/ period. The installed capacity information of our Company is based on rated installed capacity of all machinery for the highest-produced product during the preceding Fiscal/ period, taken on an annual basis. Installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Fiscal/ period.

(4) Capacity available during the Fiscal/ period represents the installed capacity that was available during the relevant Fiscal/ period and is calculated based on the aggregate of monthly installed capacity (i.e., the rated installed capacity for the highest-produced product during the preceding fiscal, for all machinery actually installed, at the end of each month) for each month during the Fiscal/ period.

(5) Actual production represents quantum of production in the relevant manufacturing facility in the relevant Fiscal/ period.

(6) Capacity utilization is calculated as quantum of production in the relevant facility in the relevant Fiscal/ period, divided by the capacity available of relevant manufacturing facility during the relevant Fiscal/ period. Furthermore, capacity utilisation has been computed without rounding off the installed capacity and actual production to nearest million.

(7) Moulding sets shifted from ASK-2 to ASK-12 (two in June 2022 operational in June 2022, three in July 2022 operational in August 2022; three moulding sets shifted from ASK-6 to ASK-12 in September 2022 operational in September 2022).

(8) ASK-17 has not been included in the above as it pertains to only wheel assembly services of bought out parts.

(9) Available capacity at ASK-7 for ALP solutions increased in Fiscal 2023 due to installation of additional machinery during July 2021, with such additional capacity being available for nine months in Fiscal 2022 and 12 months in Fiscal 2023.

(10) ASK-7 installed and available capacity (SCC products) increased in Fiscal 2023 and Fiscal 2022 due to addition of new assembly lines; ASK-8 installed and available capacity (ALP solutions) increased in Fiscal 2023 due to addition of new machines; ASK-11 installed and available capacity (ALP solutions) increased in Fiscal 2023 and Fiscal 2022 due to addition of new machines; ASK-12 installed and avail-able capacity (SCC products) increased in Fiscal 2022 and Fiscal 2023 due to addition of new assembly lines; ASK-16 installed and avail-able capacity (ALP solutions) decreased in Fiscal 2023 due to removal of one machine.

The tables below set forth the installed capacity and capacity utilisation for each manufacturing facility for the Fiscals stated:

Name of Facility	Products Manufactured	Unit of Measurement	As of/ for the year ended											
			March 31, 2023				March 31, 2022				March 31, 2021			
			Installed capacity[3]	Capacity available[4]	Actual production[5]	Capacity Utilisation[6] (%)	Installed capacity[3]	Capacity available[4]	Actual production[5]	Capacity Utilisation[6] (%)	Installed capacity[3]	Capacity available[4]	Actual production[5]	Capacity Utilisation[6] (%)
ASK-1	Brake Shoe[1]	Pieces in million	16	16	13	83.33%	16	16	14	87.78%	16	16	13	86.25%
ASK-2	Brake Shoe[1]	Pieces in million	20	23	21	91.75%	44	44	44	99.21%	44	44	40	89.64%
ASK-3	Brake Panel Assembly	Pieces in million	11	11	7	68.03%	11	11	7	60.64%	11	11	7	64.54%
ASK-4	Pressure Die Castings[2]	Tonnes	1,800	1,800	1,650	91.69%	1,800	1,800	1,397	77.64%	1,800	1,800	1,267	70.39%
ASK-5	Brake Shoe[1]	Pieces in million	12	12	8	66.74%	12	12	5	41.37%	12	12	7	57.97%
	Pressure Die Castings[2]	Tonnes	1,440	1,440	1,132	78.63%	1,440	1,440	820	56.96%	1,440	1,440	1003	69.63%
ASK-6 (1)	Brake Shoe[1]	Pieces in million	0	6	5	87.69%	14	14	11	74.05%	14	14	11	76.16%
ASK-7	Brake Shoe[1]	Pieces in million	25	25	20	81.07%	25	25	17	69.59%	25	25	17	68.69%
	Pressure Die Castings[2]	Tonnes	12,491	12,491	9,951	79.67%	12,491	12,104	6,543	54.06%	11,393	11,514	7,542	65.50%
	Cables	Pieces in million	12	12	5	37.27%	10	9	3	37.44%	8	8	3	44.66%
ASK-8	Brake Panel Assembly	Pieces in million	5	5	2	43.91%	5	5	2	42.54%	5	5	2	42.84%
	Pressure Die Castings[2]	Tonnes	11,742	11,482	8,286	72.17%	10,182	10,182	7,398	72.65%	10,182	10,182	6,750	66.30%
ASK-10	Pressure Die Castings[2]	Tonnes	3,024	3,024	2,853	94.35%	3,024	3,024	2,715	89.77%	3,024	3,024	2,549	84.29%
ASK-11	Brake Panel Assembly	Pieces in million	3	3	1	38.26%	3	3	1	29.54%	3	3	1	31.00%
	Pressure Die Castings[2]	Tonnes	7,104	7,104	5,707	80.34%	7,104	6,924	5,093	73.56%	6,564	6,564	3,961	60.35%
ASK–12	Disc Brake Pad	Pieces in million	17	17	10	57.08%	17	17	9	55.51%	17	17	9	54.35%
	Brake Shoe[1]	Pieces in million	73	52	38	73.45%	20	20	10	48.72%	20	20	10	51.54%
	Pressure Die Castings	Tonnes	4,126	4,126	2,536	61.47%	4,126	4,126	1,372	33.26%	4,126	4,126	502	12.17%

Name of Facility	Products Manufactured	Unit of Measurement	As of/ for the year ended											
			March 31, 2023				March 31, 2022				March 31, 2021			
			Installed capacity [3]	Capacity available [4]	Actual production [5]	Capacity Utilisation[6] (%)	Installed capacity [3]	Capacity available [4]	Actual production [5]	Capacity Utilisation[6] (%)	Installed capacity [3]	Capacity available [4]	Actual production [5]	Capacity Utilisation[6] (%)
	[2]													
	Cables	Pieces in million	31	31	13	40.50%	14	14	7	49.67%	13	10	7	70.43%
ASK-14	Brake Shoe[1]	Pieces in million	34	34	26	75.83%	34	34	25	72.62%	34	34	24	71.09%
ASK-15	Brake Shoe[1]	Pieces in million	27	27	22	84.10%	27	27	18	69.38%	27	27	20	74.36%
ASK-16	Pressure Die Castings [2]	Tonnes	10,081	10,306	7,243	70.28%	10,621	10,553	6,025	57.09%	10,783	10,783	6,388	59.24%

Notes:

(1) Brake Shoe is sold to customers or used captively in brake panel assembly. For each brake panel assembly, two pieces of brake shoe are used.

(2) Pressure die castings are used in brake shoes, the brake panel assembly and ALP solutions.

(3) The installed capacity for the above dates is calculated based on the past production mix in the respective Fiscal/ period. The installed capacity information of the Company is based on rated installed capacity of all machinery for the highest-produced product during the preceding Fiscal/ period, taken on an annual basis. Installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Fiscal/ period.

(4) Capacity available during the Fiscal/ period represents the installed capacity that was available during the relevant Fiscal/ period and is calculated based on the aggregate of monthly installed capacity (i.e., the rated installed capacity for the highest-produced product during the preceding fiscal, for all machinery actually installed, at the end of each month) for each month during the Fiscal/ period.

(5) Actual production represents quantum of production in the relevant manufacturing facility in the relevant Fiscal/ period.

(6) Capacity utilization is calculated as quantum of production in the relevant facility in the relevant Fiscal/ period, divided by the capacity available of relevant manufacturing facility during the relevant Fiscal/ period. Furthermore, capacity utilisation has been computed without rounding off the installed capacity and actual production to nearest million.

(7) Moulding sets shifted from ASK-2 to ASK-12 (two in June 2022 operational in June 2022, three in July 2022 operational in August 2022; three moulding sets shifted from ASK-6 to ASK-12 in September 2022 operational in September 2022).

(8) ASK-17 has not been included in the above as it pertains to only wheel assembly services of bought out parts.

(9) Available capacity at ASK-7 for ALP solutions increased in Fiscal 2023 due to installation of additional machinery during July 2021, with such additional capacity being available for nine months in Fiscal 2022 and 12 months in Fiscal 2023.

(10) ASK-7 installed and available capacity (SCC products) increased in Fiscal 2023 and Fiscal 2022 due to addition of new assembly lines; ASK-8 installed and available capacity (ALP solutions) increased in Fiscal 2023 due to addition of new machines; ASK-11 in-stalled and available capacity (ALP solutions) increased in Fiscal 2023 and Fiscal 2022 due to addition of new machines; ASK-12 installed and available capacity (SCC products) increased in Fiscal 2022 and Fiscal 2023 due to addition of new assembly lines; ASK-16 installed and available capacity (ALP solutions) decreased in Fiscal 2023 due to removal of one machine.

In addition to the facilities identified above, we commenced operations at a high precision machining facility for our ALP solutions in Hobli, Karnataka in September 2022. As of March 31, 2023, 23 machines for this new facility had been installed and sample products had been submitted to our customers for approval.

Manufacturing Capacity and Capacity Utilisation at the facility operated by our Joint Venture

The table below set forth the product-wise installed capacity and capacity utilisation of the manufacturing facility operated by our Joint Venture, for the Fiscals stated:

Products Manufactured	Unit of Measurement	Fiscal ended											
		March 31, 2023				March 31, 2022				March 31, 2021			
		Installed capacity (1)	Capacity available (2)	Actual production (3)	Capacity Utilisation (%) (4)	Installed capacity (1)	Capacity available (2)	Actual production(3)	Capacity Utilisation (%) (4)	Installed capacity (1)	Capacity available (2)	Actual production (3)	Capacity Utilisation (%) (4)
CV brake lining	Pieces in million	14.4	14.4	6.7	46.41%	14.4	11.3	7.8	68.44%	9.0	9.0	4.7	51.67%
CV brake pads	Pieces in million	0.4	0.4	0.2	36.13%	0.4	0.4	0.1	14.14%	0.4	0.4	0.1	31.94%

Notes:

(1) The installed capacity for the above dates is calculated based on the past production mix in the respective Fiscal/ period. The installed capacity information of our Joint Venture is based on rated installed capacity of all machinery for the highest-produced product during the preceding Fiscal/ period, taken on an annual basis. Installed capacity information is based on various assumptions and estimates, including standard capacity calculation practice installed at the relevant manufacturing facility. Assumptions and estimates taken into account for measuring installed capacities are based on 300 working days in a Fiscal/ period.

(2) Capacity available during the Fiscal/ period represents the installed capacity that was available during the relevant Fiscal/ period and is calculated based on the aggregate of monthly installed capacity (i.e., the rated installed capacity for the highest-produced product during the preceding fiscal, for all machinery actually installed, at the end of each month) for each month during the Fiscal/ period.

(3) Actual production represents quantum of production in the relevant manufacturing facility in the relevant Fiscal/ period.

(4) Capacity utilization is calculated as quantum of production in the relevant facility in the relevant Fiscal/ period, divided by the capacity available of relevant manufacturing facility during the relevant Fiscal/ period. Furthermore, capacity utilisation has been computed without rounding off the installed capacity and actual production to nearest million.

Planned New Manufacturing Facilities

Bhiwadi, Rajasthan

We plan to construct a new manufacturing facility at plot no. SP4-315, Riico Industrial Area, Karoli, Bhiwadi, Rajasthan, allotted by RIICO Rajasthan, which will be dedicated to manufacturing products for all our business operations for AB systems, ALP solutions and SCC products, including paint shops (liquid and powder). In addition, we intend to introduce low pressure die-casting and gravity die-casting processes at the facility.

Kolar, Karnataka

We have been allotted land by the Karnataka Industrial Areas Development Board ("**KIADB**") pursuant to their letter dated June 6, 2023 for 6.00 acres of land for establishment of a manufacturing facility for automobile parts at Mindahalli Industrial Area, Kolar, Karnataka. As on the date of this Draft Red Herring Prospectus, the Company has paid the full payment of ₹ 170.33 million for allotment.

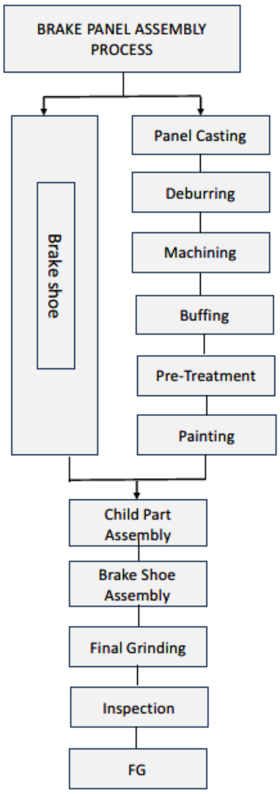
Manufacturing Processes

The manufacturing processes involved in the production of some key products under the AB systems category are described below.

AB systems

Set out below are charts and descriptions of the manufacturing processes for key AB systems:

<u>Brake Panel Assembly</u>: Brake panel assembly refers to the assembly of machined and painted casted panels, brake shoes and bought-out parts, including arms, levers, and springs (*Source: CRISIL Report*). The panel casting is manufactured on high pressure die casting machines using Aluminium as the main input (*Source: CRISIL Report*).



Panel Casting: The brake panel assembly process typically starts with panel casting. Panel casting refers to a manufacturing process that produces accurate, defined, smooth and textured-surfaced metal parts accomplished by forcing molten Aluminium into a mould form by way of a high-pressure system which is corrosion resistant and highly conductive.

Deburring: The panels are then subjected to deburring process, which is an excess and sharp edge removal process.

Machining: Machining refers to the process of converting panels into a finished product in relation to size, shape and other performance parameters, using special purpose machines. Some of our key machining processes are milling, turning, drilling, slitting, reaming and boring, tapping, and grinding.

Buffing: Buffing is the process of making the surface smooth that involves the use of loose abrasives on a wheel.

Pre-Treatment: Machined parts are further subjected to pre-treatment such as degreasing and cleaning. This process is aimed at removing any residual grease from a particular element. This involves careful cleaning and destruction of every single oil-based molecule.

Painting: The entire panel is painted to achieve surface finish. The paint job process is quicker, safer and cleaner when carried out in the spray booth. The paint booth is aimed at containing paint overspray which is essential for ensuing the safely of our employees and the environment.

Child Part Assembly: Child part assembly refers to an assembly process that utilizes machines, equipment, and/or workers to assemble parts and materials in a pre-defined sequence until there is a finished product.

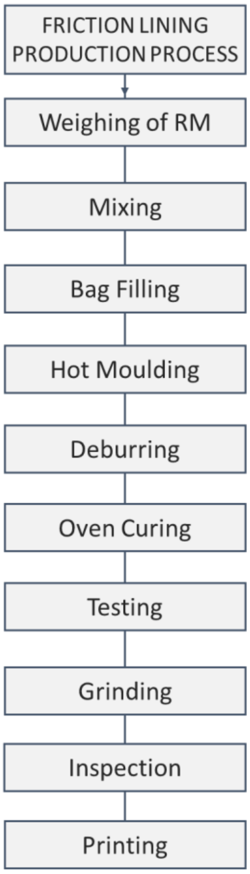
Brake Shoe Assembly: Once all child parts are assembled, the brake shoes are then assembled with the panel.

Final Grinding: The brake shoes are then subjected to an abrasive machining process, where a grinding wheel or grinder is used as a cutting tool.

Inspection: The brake panels are examined by our operators to ensure there is no defect from the previous stage and ensure that the brake panels conform with our customer requirements.

Finished Goods (FG): Finished goods refers to goods that have completed the brake panel assembly process but have not been sold or distributed to the customer.

***Friction Lining Material*:**



Mixing: The friction lining production process typically starts with weighing and combining abrasive materials and ingredients in powdery or fibrous form to create high friction strength.

Bag Filling: Bag filling refers to the process of dividing the combined abrasive materials and ingredients into the correct portion sizes.

Hot Moulding: The combined abrasive materials and ingredients are then compressed under a high temperature and pressure.

Deburring: Deburring is done to remove burrs, small imperfections formed during the hot moulding process. The deburring process is carried out using special tools and sanding machines.

Oven Curing: Oven curing refers to the process of using heat to create a chemical reaction to cure a finish or adhesive onto a product, or solidify a plastic or epoxy. Oven curing is done to create a tougher and stronger material or coating that is resistant to temperatures, humidity, and corrosion.

Testing: The strength and co-efficient of friction of the friction lining material is tested by our operators to ensure that the friction lining material achieves the desired quality standards set out in the control plan.

Grinding: The friction lining material is then subjected to an abrasive machining process, where a grinding wheel or grinder is used as a cutting tool.

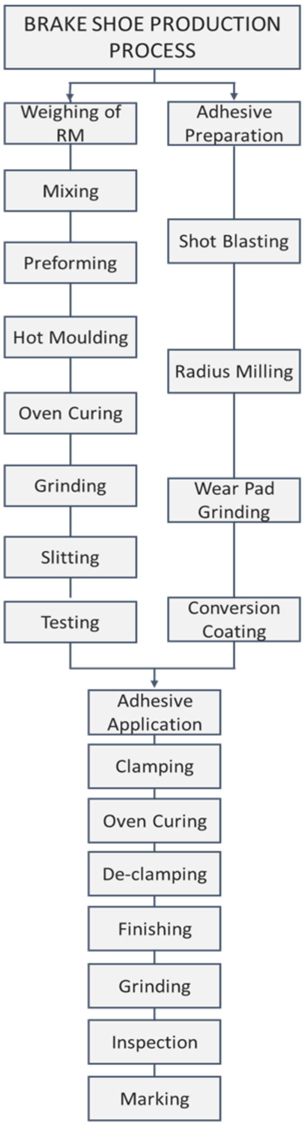
Inspection: The friction lining material is examined by our operators to ensure there is no defect from the previous stage and that the friction lining material conforms with our customer requirements.

Printing: The friction lining production process typically ends with printing. Being a safety product, traceability is ensured on every piece of friction liner by marking shift, date and year.

Brake shoes:

Friction Lining Material: Brake shoes include friction lining material, which is bonded to the curved metal and installed inside the brake drum (*Source: CRISIL Report*). For further information on the friction lining material product process, see "- ***Manufacturing Processes – Friction Lining Material***" on page 202.

Adhesive Preparation: Adhesive preparation refers to the process of creating the adhesive, which bonds the friction lining material and wear pads. The adhesive is created by dissolving polymers and solvents, adding resins and other compounds and using chemical catalysts or heat.



Preforming: Preforming refers to the process of moulding the powdery or fibrous mix into friction compounds.

Radius Milling: Radius milling refers to the process of milling the wear pad to achieve the desired dimensions. Radius milling is performed on special purpose milling machines.

Wear Pad Grinding: The wear pads are subjected to an abrasive machining process, which uses a grinding wheel or grinder as the cutting tool.

Conversion Coating: Conversion coating refers to the process of applying a chemical or electro-chemical treatment to manufactured parts to protect against corrosion. The coating superficially converts the material of the manufactured part into a thin adhering coating of an insoluble compound.

Adhesive Application: The previously prepared adhesive is applied between the friction lining material and wear pad.

Clamping: Clamping is done to clamp together the wear pad and friction lining material with nut-bolts. The clamped wear pad and friction lining material is then dried in ambient room temperature.

De-clamping: De-clamping is done to loosen the clamped wear pad and friction lining material.

Grinding: The brake linings are then subjected to an abrasive machining process, where a grinding wheel or grinder is used as a cutting tool.

Inspection: The brake shoes are examined by our operators to ensure there is no defect from the previous stage and that the brake shoes conform with our customer requirements.

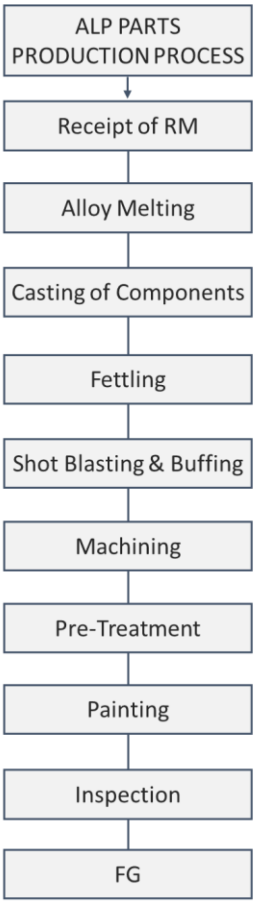
Marking: The brake shoe production process typically ends with marking. Being a safety product, traceability is ensured on every piece of brake shoe by marking shift, date and year.

ALP solutions

Set out below is a chart and description of the manufacturing process for ALP solutions category products. ALP solutions category products include crankcases, engine covers and motor housings.

Alloy Melting: The manufacturing process typically starts with alloy melting. Alloy melting refers to the process of melting alloys and special materials in an inductively heated melting and casting furnace.

Casting of Components: Casting of components refers to the process of pouring molten Aluminium into a mould. The metal parts are then subjected to a high-pressure system, which results in defined and smooth textured metal parts.



Fettling: Fettling is done to remove any cores, gates, sprues, runners, risers and chips on the surface of the castings. Fettling operations can be divided into different stages, such as knocking dry sand cores, removing gates and risers and removing fins and unwanted projections.

Shot Blasting & Buffing: Shot blasting is a surface treatment process. Shot blasting involves directing high velocity steel abrasive shots onto the metal to remove sand and other impurities. Buffing is done to dress the metal surface and create a smooth shiny surface finish using cloths or abrasive buff wheels.

Machining: Machining refers to the process of converting panels into a finished product in relation to size, shape and other performance parameters, using special purpose machines. Our key machining processes are milling, turning, drilling, slitting, reaming and boring, tapping, and grinding.

Pre-Treatment: Machined parts are further subjected to pre-treatment such as degreasing and cleaning, which involves removing residual grease from the machined parts.

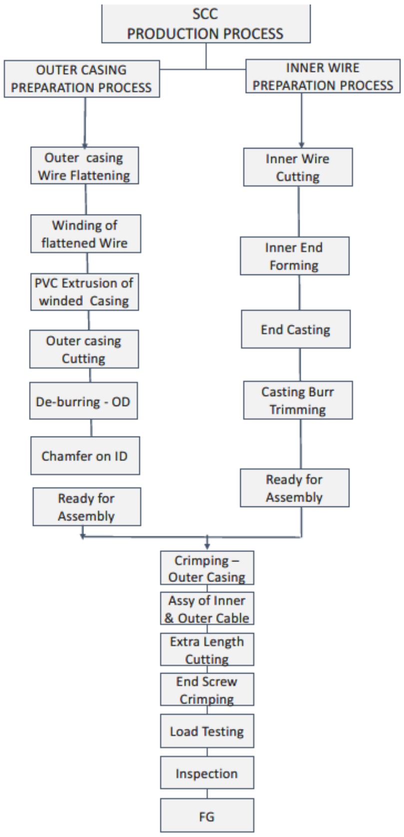
Painting: Painting is done to complete the panel and achieve the surface finish. Painting occurs in a spray booth to increase efficiency, minimise paint overspray and protect employees and the environment.

Inspection: The ALP solutions category products are examined by our operators to ensure there is no defect from the previous stage and ensure that the ALP solutions category products conform with our customer requirements.

Finished Goods (FG): Finished goods refers to goods that have completed the manufacturing process but have not yet been sold or distributed to the customer.

SCC products

Set out below is a chart and description of the manufacturing process for SCC category products.



<u>Outer Casing Preparation:</u>

Outer Casing Wire Flattening: Wire flattening refers to the process of flattening the round wire which is a raw material by using a rolling die continuous process.

Winding of Flat Wire: The flat wire is then curled using a special machine, resulting in an even and controlled outer diameter and an inner diameter that forms a casing.

PVC Extrusion of Winded Casing: The curled outer casing is then coated with polyvinyl chloride polymer ("**PVC**") through an extrusion process.

Outer Casing Cutting: The length of the outer casing is cut using an automated machine.

*De-burring Outer Diameter ("**OD**"):* The burrs generated in the previous operation are removed in this process by grinding the face and OD.

Chamfer on ID: The burrs generated in the outer casing length cutting operation is removed in this process by using inside chamfer tools on special purpose automated machines.

Inner Wire Preparation:

Inner Wire Cutting: The inner wire is cut to the specified length as per the drawing. A special purpose machine is used to cut the inner wire.

Inner-End Forming: The inner wire end is then pressed against a special forming tool to shape the wire into a flower/flared shape.

End Casting: End casting refers to the process of zinc die casting on the end of the inner wire to form a lock encrypting the flared wires from the previous process.

Casting Burr Trimming: Casting burr trimming is done to remove the burrs created in the End Casting process.

Assembly Preparation:

Crimping – Outer Casing: Refers to the process of fixing the interface cap with the outer casing. Crimping is a process of pressing one metal component to another to permanently join them.

Assembly of Inner and Outer Cable: The inner wire is inserted into the outer casing with grease. The assembly process is done by using a special purpose machine.

Free Length Cutting: Once the inner wire is assembled within the outer casing, the cable is cut to the cable length requirements.

End Screw Crimping: End screw crimping refers to the process of fitting the fastener to the end of the cable which in turn is fitted with a corresponding vehicle part to activate an automotive application.

Load Testing: The quality, durability, fitment and function of the control cable is tested by our operators.

Inspection: The assembled final parts are examined by our inspectors with digital gauge and fixture to ensure there is no defect from the previous stage and ensure conformity with customer requirements.

Marking: Being a safety product, traceability is ensured on every SCC product by marking shift, date and year.

Finished Goods (FG): Finished goods refers to goods that have completed the manufacturing process but have not yet been sold or distributed to the end user.

Quality Assurance

We are committed to ensuring customer satisfaction with our key objective being the making of our products our customer's first choice. In order to maintain the quality standards and comply with the quality standards and design specifications of our customers, we follow a stringent quality control mechanism. At each stage of the manufacturing process, the components are examined by our operators to ensure there is no defect from the previous stage operator. Separately, representatives of our customers regularly inspect our manufacturing facilities and manufacturing processes. We also have a separate team of engineers responsible for quality assurance.

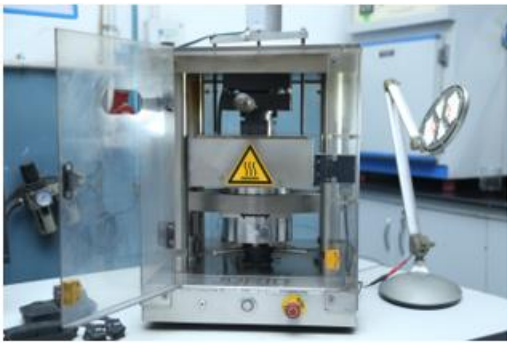
Set forth below are images of our testing capabilities for our systems and solutions:

AB Systems

Dynamometer

Chase Machine

Compressibility Tester



SCC

Durability Test

Mud Test Chamber

Rain Test Chamber

Our manufacturing facilities follow a quality management system as per the IATF 16949:2016 international standards for automotive quality management. Our facilities are also audited by customers at regular intervals, particularly to approve changes in our processes/ layouts.

In addition, we focus on the following key areas to achieve quality assurance:

- quality, agile, punctual and complete responses to customers;
- lean manufacturing and quality orientation;
- systemic approach for problem solving;
- employee skill and competency enhancement;
- supplier quality assurance through our internal ASK supplier quality manual;
- adherence to customer quality manual or standards communicated to us;
- proactive approach to identify risk in producing parts through process failure and effect analysis and developing effective control plan;
- mitigation of risk through poka yoke (mistake proofing); and
- inspection of critical to quality characteristics through auto inspection machines and process capability studies.

Our commitment to quality assurance has been recognized by our customers, from whom we have received quality assurance awards. For further details, see *"– **Awards and Recognition***" on page 223.

Case Studies

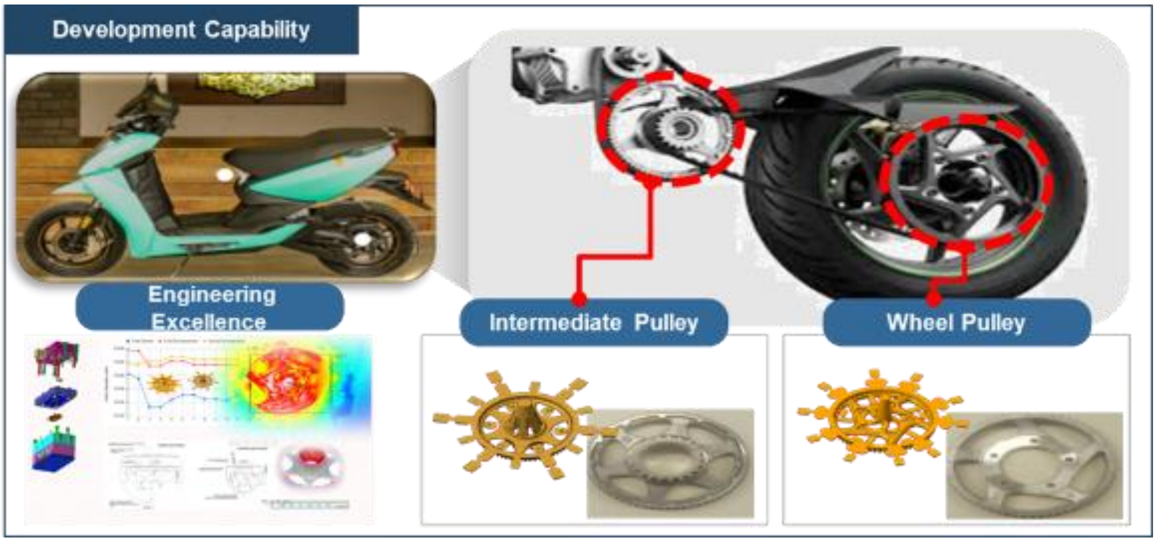
We deploy our advanced design and engineering capabilities to develop customized products for our customers, few examples of which are described below:

Lightweight Aluminium geared pulley for 2W EV drivetrain

Problem Statement: The EV drivetrain system generates torque with the help of electric motors, which in turn is transferred to the wheels through a transmission system with a set of geared pulleys. The geared pulleys transmit power from one shaft to another via a thin inextensible band that runs over two pulleys. In the EV drivetrain system, the pulleys are typically manufactured with sintered steel which is heavier in weight and thus reduces the vehicle's overall efficiency.

Solution: We developed Aluminium geared pulleys for 2W EV drivetrains in Fiscal 2022 through our in-house engineering and R&D capabilities. The conventional sintered steel gear pulley was replaced with a lightweight Aluminium geared pulley. This new development achieved the desired strength and precision and added critical value to the entire EV drivetrain by making it lightweight and more energy efficient.

Outcome: We were able to eliminate subsequent machining processes used in the steel sintered pulleys. Our focused approach in developing technology intensive value-added products has helped us to penetrate the EV drivetrain segment and evolve as a preferred choice for EV customers.



Lightweight Aluminium battery pack housing for 2W EV drivetrain

Problem Statement: EV battery pack housings were conventionally manufactured with the use of plastics as a raw base material, which creates a threat to the vehicle and the safety of riders if there is a thermal runaway resulting in a fire incident.

Solution: We developed lightweight and thin cross section Aluminium battery pack housings and replaced the existing highly inflammable plastic raw material. Our strong in-house design and simulation capabilities have enabled us to develop precise and accurate dies, tools, and other equipment to successfully develop lightweight and thin cross section Aluminium battery pack housings, thus adding value to our EV customers.

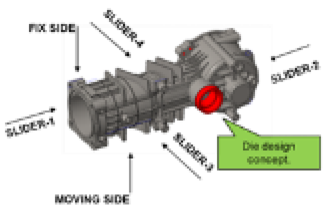
Outcome: The development of lightweight and thin cross section Aluminium battery pack housings was a breakthrough in mitigating the risk of thermal runaway resulting in an EV fire incident. The overall strength, reliability and safety of the battery pack housings increased by introducing Aluminium as a base raw material.

Enhancing performance of power tools through advanced engineering

Problem Statement: The structural strength of housing for demolition hammers in power tools is critical, as it hosts a high-speed rotating mass where gears and cylinders are assembled. If there is porosity in the main bore area, the overall structural strength is compromised and the risk of breakage, cracks occurring, field failure and warranty claims increases.

Solution: The as-is part was investigated at our in-house metallurgical lab and subjected to advance design simulation analysis, which confirmed that the infusion of molten metal through a parallel gate can eradicate the porosity issue and improve the porosity quality from Level 4 to Level 1. Accordingly, we adjusted our process, which resulted in increased structural strength, surface finish and grain structure.

Outcome: We achieved enhanced product performance and reliability of demolition hammers. There were no field failures, and the cost of poor quality was reduced. By reducing porosity, the risk of breakage or cracks occurring in the bore was eliminated, which resulted in enhanced safety for the end-user of the power tool. This also helped to reduce the number of operations that our customers perform, which resulted in cost optimization through a reduction in inspection cost.

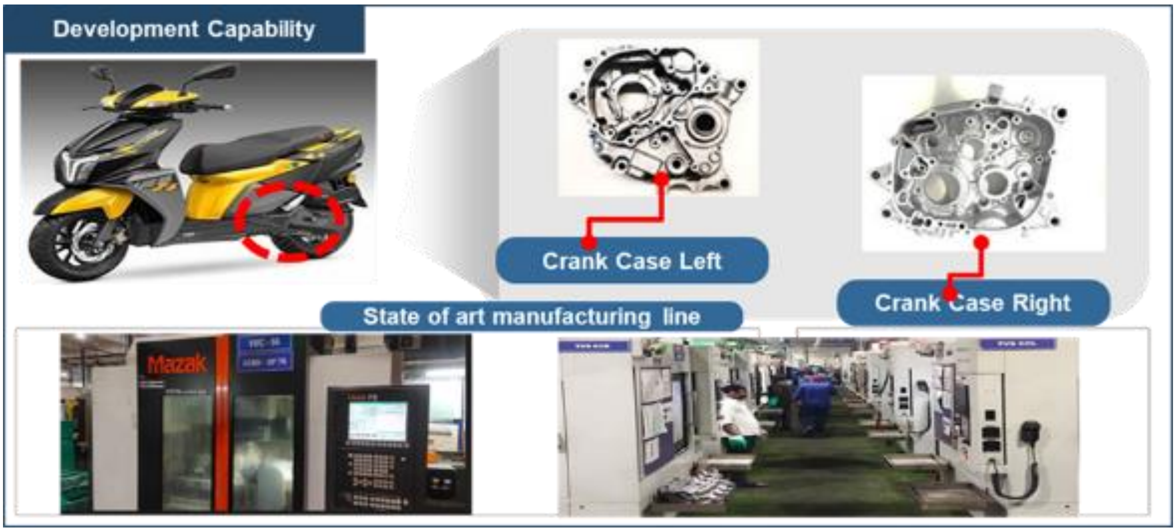


Achieving enhanced quality for critical and intricate precision Aluminium casted and machined components

Problem Statement: The crankcase is the central component in the engine. The crankcase houses the entire crank mechanism, including pistons, cylinders and connecting rods. The transmission and gearbox and the engine control system (with cylinder head) are attached to the crankcase. The crankcase is one of the most critical and intricate components filled with transmission oil for shifting gears. Crankcases are divided into left-hand and right-hand side parts, with several dimensions and extreme accuracy. It is challenging manufacturing such an intricate Aluminium casting part, which is susceptible to leakage, with high dimensional accuracy on a sustained level. If the manufacturing and assembly is not carried out precisely, the system is exposed to leakage and the OEM's manufacturing line could be disrupted.

Solution: We deployed an online automatic inspection system in the crankcase manufacturing line, which ensures that only components adhering to customer specifications are supplied to the customer. The automated inspection system checks all critical parameters and identifies any outliers.

Outcome: This advanced inspection methodology helped us to eliminate defects at our customer's end for 12-months consecutively. We were also recognised and awarded the best quality supplier in Fiscal 2022 by our customers for our effort.

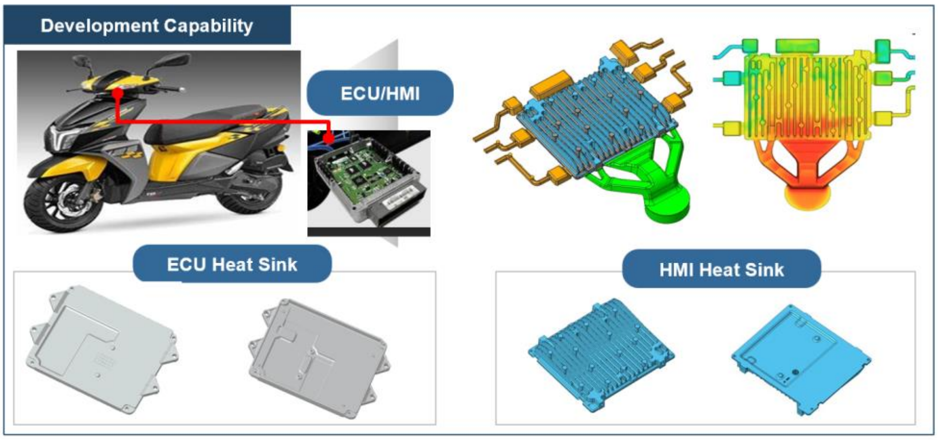


Development of thin-walled electronic control unit ("ECU")/ motor control unit ("MCU") Aluminium casted housings with heat sinks for thermal management system

Problem Statement: The ECU, MCU and human-machine interface ("HMI") of vehicles that are operated under continuous high voltage contain computing parts such as, microcontrollers/microprocessors, metal-oxide semiconductor field-effect transistors, and application specific integrated circuits, that accumulate heat in high ambient temperatures could cause fires in addition to disrupting functional performance of the vehicle. Therefore, thermal management system is critical for ECU, MCU and HMIs.

Solution: We developed and indigenized thin-walled ECU Aluminium casted casings with heat sinks. Aluminium is a thermal conductor and dissipates the heat generated in the ECU, thereby protecting computing disruptions that may occur to sensitive electronic components placed on the printed circuit board.

Outcome: This development and indigenization helped us achieve (i) product cost control; (ii) elimination of high inventory carry costs; (iii) greater supply chain control; and (iv) risk mitigation of production loss due to supply failure or defect in the batch at the OEM customer's end. With this development, we aim to be the preferred source for thin-walled ECU/MCU Aluminium casted housings with heat sinks for thermal management system.

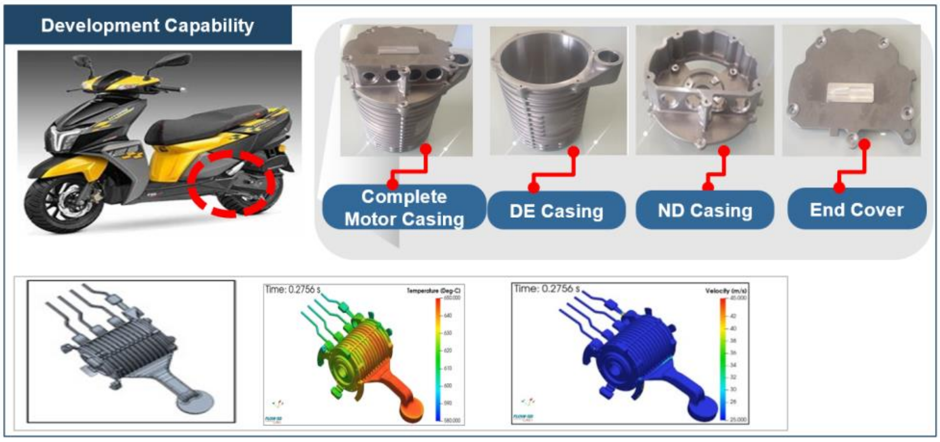


Development of electric motor housing as an import substitution for our EV customers

Problem Statement: EV manufacturing OEMs were procuring permanent magnet synchronous motor electric motors from global suppliers to offer a technically matured product. However, being a high contributing part, there were significant advantages on indigenizing the electric motors.

Solution: We developed and indigenized lightweight electric motor housing in a relatively short period for such a critical component. The product was imbibed with crucial aspects of lightweighting and intelligent thermal management features that were incorporated by us right from the product development stage.

Outcome: This rapid development and indigenization of electric motor housing has helped our customers capitalize on import substitution and become competitive in an emerging market. With this development, we aim to be the preferred source for manufacturing and supply of electric motor housing for EVs.



Program Pipeline

The table below sets forth certain information on the programs awarded to us and that we propose to manufacture in Fiscal 2024:

Automotive Industry:

Start of Production (Half-year based on Fiscal Year during which production date is stipulated under respective agreements)	Number of Programs	Customer Description	Category
H1 2024	64	• India’s largest 2W OEM (by production volume in Fiscal 2022) *	2W, 3W, PV, CV

Start of Production (Half-year based on Fiscal Year during which production date is stipulated under respective agreements)	Number of Programs	Customer Description	Category
		• India's second largest 3W OEM (by production volume in Fiscal 2022) * • India's fourth largest 2W OEM (by production volume in Fiscal 2022) * • India's fourth largest 3W EV OEM (by production volume in Fiscal 2022) * • India's fifth largest PV OEM (by production volume in Fiscal 2022) * • Key player in powertools * • 2W EV OEM and 2W ICE OEM • Supplier of throttle body systems to PV OEMs • Industrial lawn mover OEM • Supplier of starter motor housing and drive frames for PV OEM • Supplier of gearbox system • Supplier of air brake valves to CV OEMs	
H2 2024	7	• India's largest 2W OEM (by production volume in Fiscal 2022) * • Key player in powertools * • Supplier of water pump system to PV OEM • Supplier of air brake valves to CV OEMs	2W, PV, CV

* *Source: CRISIL Report.*

Non-Automotive Industry:

Start of Production (Half-year based on Fiscal Year during which production date is stipulated under respective agreements)	Number of Programs	Customer Description	Category
H1 2024	9	• Key player in powertools * • Industrial lawn mover OEM; and • Supplier of gearbox system	Outdoor equipment, power tool
H2 2024	3	Key player in powertools *	Power tools

* *Source: CRISIL Report.*

Raw Materials and Suppliers

Raw Materials

We use a variety of raw materials in the production of our components. For AB, ALP and SCC systems and solutions, the principal raw materials used for manufacturing products include Aluminium, steel, bought-out parts, packing material, paint and wires. We source these raw materials and components predominantly in India, and engage with suppliers in China and Japan on an as-needed basis. For Fiscals 2023, 2022 and 2021, our cost of material consumed was ₹17,985.79 million, ₹14,038.07 million and ₹10,154.42 million, respectively, which accounted for 70.39%, 69.73% and 65.77%, respectively, of our total revenue from operations.

Suppliers of Raw Materials

We depend on third-party suppliers for our raw materials, primarily Aluminium.

As we are subject to applicable laws in relation to our operations including labelling, environmental laws and manufacturing, and strict quality requirements specified in contractual arrangements with customers, our supplier base is limited. We have a diversified supplier base to reduce supplier concentration risk and we maintain good relationships with our suppliers, who are usually also designated by our customers as the stipulated supplier of raw materials. Substantially all our raw materials are available in India, enabling us to ensure timely availability of raw materials of the desired quality and quantity.

We have a rigorous vendor evaluation, selection and quality control process to ensure that we partner with suppliers who have the ability to comply with our quality standards, delivery schedules and other contractual obligations. In order to ensure quality standards on an ongoing basis and to avoid supply disruptions, we also provide training and guidance to the suppliers for upgradation of their manufacturing processes.

We have long standing relationships with certain of our suppliers and rely on general purchase agreements that set out the general terms and are supplemented by purchase orders wherein the pricing, scheduling and delivery details are set out. We do not generally have firm commitments for the supply of raw materials, and purchase our raw materials in line with the terms and prices that are agreed with our customers. Under certain of the purchase orders and general purchase agreements, we have the right to inspect all materials that are provided to us.

Utilities

Power and fuel

Our manufacturing processes require an uninterrupted and constant voltage power to ensure that the products are of high quality and also to increase the productivity and lifetime of our machines and equipment. We use a substantial amount of electricity, diesel and PNG for our operations. We enter into long-term power purchase agreements with third parties, typically for a term of 25 years. We source most of our electricity requirements from state electricity boards and have entered into three power purchase agreements with third-party suppliers including power distribution companies.

Our arrangements with such third-party suppliers enable us to procure electricity at lower costs compared to purchasing directly from state electricity boards. Likewise, our diesel and PNG needs are also met domestically through oil/bio-diesel companies and through distributors located around our facilities. We have replaced diesel with PNG in all our melting furnaces at our plants in Manesar.

Water

Our manufacturing processes also require water consumption although they are not water intensive. The requirement for water is primarily met through water supply connections with the State Industrial Development Corporation or municipal supply systems and state development boards.

In order to reduce wastage of water, we undertake water conservation measures on an ongoing basis and undertake treatment of wastewater for its reuse in compliance with local water usage and treatment guidelines. We also undertake water cascade analysis to calculate the targeted minimum flowrate for feedwater and wastewater to enable continuous processes and thereby reduce water consumption.

The table below sets forth our power, fuel and water costs for the Fiscals stated:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
Power, fuel and water cost	928.20	3.63%	744.10	3.70%	603.49	3.91%

Transportation and Storage

Transportation

For our operations in India, the mode of transportation for a particular shipment is dependent on the urgency, size and value of the order.

For deliveries of our products, we are able to rely on and utilise our own distribution channels or external logistic contractors. For our operations in India, we typically ship finished goods to our customers by road within their delivery schedules. In a few cases, our customers manage their own delivery transportation where they directly pick up the goods at our facilities. Otherwise, costs associated with the transportation of incoming materials and components are generally included in the purchase price. We engage third party logistics providers for our transportation needs and typically enter into agreements with them for a period of one year. Under these agreements we are required to provide the number of trucks that are required for the delivery of any consignment and which the transporter is required to provide within 24 hours of such intimation. The transporter is liable for any damages to the products of the Company during transit.

For our overseas customers, the purchase orders set out the terms in relation to transportation. We generally export our safety systems and critical engineering solutions through sea shipments and, in exceptional circumstances, by air to ensure that customer production lines are able to operate without interruption.

For aftermarket support, we typically rely on the same third-party logistics providers for support on our transportation requirements. These third-party service providers are responsible for ensuring our transportation rates are competitive and that our transportation carriers are performing as required. In relation to our exports and imports, the mode of transportation would typically be stipulated within the terms of the purchase order.

Storage

We have two warehouses, located in India. The warehouses work as our delivery point to key customer locations, allowing us to assist in managing our customers' requirements in an efficient manner and enhances our engagement with them. These warehouses are owned by third parties.

We enter into agreements that are supplemental to our transportation agreements with our transporters and logistics providers for receiving warehousing services on the properties leased to such logistics providers. The supplemental agreements are typically coterminous with the transportation agreements and extensions to the term is on a mutually agreed upon basis.

Research and Development

We have R&D, engineering, designing and advanced in-house technological capabilities. Our R&D capabilities include: (i) our in-house tool designing, prototyping and manufacturing abilities, which together with our extensive manufacturing and development capabilities, benefit us in QCD parameters; and (ii) advanced material engineering, proprietary formulations, precision engineering and manufacturing processes. Our R&D expenses was ₹6.82 million, ₹6.28 million and ₹5.09 million for Fiscals 2023, 2022 and 2021, respectively, which represented 0.03% of our total revenue from operations for all three Fiscals.

We are engineering-led in our capabilities, with integrated operations across the product cycle. For instance, we possess design capabilities from product conceptualisation to execution. Our computer aided design tools allow our engineers to optimise the design and process parameters to ensure higher operational efficiency and productivity

As of March 31, 2023, our total staff (i.e., workforce excluding shop-floor personnel) comprised 330 engineering graduates of which 74 were full-time employees of our R&D and engineering department, which represented 6.03% of our staff and 22% of the engineers employed as part of our staff. The table below sets forth the breakdown of our engineers engaged in R&D activities:

Description of activity	As of March 31, 2023
Transformational Leadership	2
Design Engineers	9
Process Engineers	27
Program Management	1
Tool Engineering	35
Total	**74**

For more information on our R&D strengths, see "– ***Our Strengths – Robust business model driven by research and development ("R&D") and design with an emphasis on: (i) advanced material knowledge to customize systems and products based on customer specifications and (ii) engineering lighter precision products***" on page 184.

Design and Engineering

We are a technology-driven company with advanced design and engineering capabilities, including capabilities in offering future-ready mobility solutions and flexibility to customers for innovative designs to cater to market needs. We offer end-to-end design solutions from tools and die manufacturing to engineering solutions, conversion of function designs to mass production designs, productivity improvement, process optimization and material optimization solutions.

We seek to achieve short lead time for development to support our customers in meeting challenging product launch timelines. This is achieved by maintaining development processes to minimize iterations, ensuring quality and on-time deliveries for our customers. By demonstrating our in-depth engineering capabilities, we aspire to become the preferred source for challenging timeline processes.

Furthermore, we focus on achieving competency in our design and engineering through the use of virtual simulation, high-end CAD tools, advanced tool manufacturing infrastructure and testing and validation processes. In recognition of our technological capabilities and development processes, we have also received several awards for the quality of our systems and delivery performance. For details of our awards, see "***– Awards and Recognition***" on page 223 and "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 233.

Research & Development Initiatives

We engage in ongoing engineering and R&D activities to improve the reliability, performance and cost-effectiveness of our manufacturing processes and design and develop innovative and customized components that meet customer requirements for new or specific applications.

Our technical collaborations coupled with our R&D capabilities (including the ability to develop proprietary formulations) have contributed towards our brand for our AB systems in the IAM markets. Our R&D capabilities for our ALP products include the ability to design and prototype complex components and parts, and delivering on specific lightweighting specifications to meet all safety and performance requirements for our customers. Our R&D initiatives have also enabled our customers to seek import substitution in the past (i.e., encouraging production in the domestic markets in order to limit the extent of imports). For further details, see " ***– Case Studies***" on page 207.

We have also taken several initiatives, including collaborations with manufacturers, to develop solutions to meet our customer's needs. By demonstrating our in-depth R&D and engineering capabilities to our customers, we have been able to provide customers with design solutions within stringent timelines according to their specific needs and applications. For further details on our technical collaborations, see "–***Technical Collaborations***" below.

Technical Collaborations

To ensure that we are able to maintain our competitive advantage, we enter into technical collaborations with various entities. The following table sets out key details of these technical collaborations:

Licensor	Relevant Products	Market
Japanese manufacturer of asbestos-free brake shoes supplying to 2W manufacturers globally	Asbestos free brake shoes for 2Ws	OEMs and OES in India
HSH	Control cables of 2Ws and PVs (including PVs and CVs)	OEMs and OES in the domestic IAM, and exporting to Sri Lanka, Bangladesh, UAE, Egypt, Turkey, Africa and Indonesia
NUCAP	Steel disc brake plates with Nucap Retention System ("**NRS**") technology for	OEMs and OES in India

Licensor	Relevant Products	Market
	use in 2Ws (exclusive right), PVs and CVs (non-exclusive right)	
Research organisation in the defence sector	Semi-solid metal processing technology for aluminium alloy casting	In India and, subject to prior approval, overseas

Sales and Marketing

Our sales and marketing team focuses on designing and implementing a business development strategy adapted to all markets, and forging local and global partnerships with OEMs and aftermarket sales to sustain profitable growth. In particular, we focus on strategically aligning ourselves with customers to create long-standing relationships. In this regard, our sales and marketing team works closely with our engineering team and the customer's design and engineering department to understand the technical requirements of the component. The degree of involvement varies depending upon the customer's requirements and ranges from designing of safety systems and critical engineering solutions from inception, including providing inputs on the type of materials to be used to proposing unique features and specifications to improve the existing design. Through this process, we are able to deepen our engagement with our customers at the business development stage, enhancing our relationship with our customers.

Lastly, key account managers are assigned to serve specific customers for one or more business products and are responsible for servicing existing business and for identifying and winning new business. In the precision components industry, OEMs tend to have extensive and detailed vendor approval processes (*Source: CRISIL Report*). Given the time and effort involved in the approval process as indicated above, OEMs typically do not switch vendors unless there are specific and significant QCD issues (*Source: CRISIL Report*).

Our customers at times also request us to partner with their own development teams throughout a product cycle, which involves design, engineering and product development. Accordingly, our engineers and sales team work with their in-house engineering and design teams to develop customised solutions, which in turn allows us to maximise our sales opportunities. We believe such arrangements give us the opportunity to embed our products into our customers' expansion and development plans.

We utilise a number of avenues to promote our brand and products, including by installing signages across our network of dealers, conducting mechanic trainings/ mechanic activations and hosting the "Asia-Brake Conference" every two years.

For further details on our strengths, see "***– Our Strengths***" on page 183 and "***– Case Studies***" on page 207.

Customers

We supply our products and systems directly to (i) OEMs, (ii) tier 1 and tier 2 component manufacturers for onward supply to OEMs, and (iii) IAM.

Our OEM customers include Indian and global OEMs. Our OEM customers typically have stringent, time-consuming selection, inspection and review procedures for procurement of components from manufacturers. These procedures include review of the manufacturer's expertise, available manufacturing facilities, processes, financial capabilities and logistical capabilities.

Our customers include:

- 2W ICE OEMs such as HMSI, Hero MotoCorp, TVS, Suzuki, Bajaj, Yamaha and Royal Enfield.
- 2W EV OEMs such as India's largest 2W EV OEM by market share in calendar year 2022 (by retail sales volume) (*Source: CRISIL Report*), Ather, Hero MotoCorp, Greaves, Bajaj and Revolt.
- 3W ICE OEMS such as Bajaj.
- Automotive component manufacturers such as Denso, Brembo, Dell'orto, UFI Filters, Magnetti Marelli Powertrain India Private Limited, Knorr Bremse Systems, Federal-Mogul, FDP Virginia Inc., and Asti Electronics India Private Limited

- Non-automotive OEMs such as Stanley Black & Decker, Polaris and MTD Products.

We also had a network of 468 dealers in India as of March 31, 2023 for our IAM sales. Products that we supply in the IAM typically comprise brake shoes for 2Ws and 3Ws, disc brake pads for 2Ws and PVs, hubs for 2Ws, clutch plates and clutch shoes for 2Ws and 3Ws, and control cables for 2Ws and 3Ws.

During the last three Fiscals, we had a diverse customer base in India and in 12 other countries across North America, Latin America, Europe and Asia. In the same period, our Joint Venture, AFFPL, had a varied customer base in India and in 42 other countries across Asia, North America, Latin America, Africa, Europe and the Middle East. During Fiscals 2023, 2022 and 2021, our export revenue (net) was ₹929.68 million, ₹1,005.38 million and ₹550.49 million, respectively, representing 3.64%, 4.99% and 3.57%, respectively, of our total revenue from operations during the same Fiscals.

We focus on strengthening our customer relationships by prioritizing our customers' needs in terms of customers' design compliance and engineering standards. We achieve this through offering future-ready mobility solutions and flexibility to customers for innovative designs to cater to market needs. We also work closely with our customers from concept to delivery in order to achieve shorter lead time for development to support our customers in meeting challenging product launch timelines.

For details relating to our relationship with key customers, please see "***– Our Strengths – Long-standing customer relationships with both Indian and global OEM players***" on page 187.

The table below sets forth our revenue from operations across our top three customers (EV and ICE) (determined based on revenue derived from such customers in Fiscal 2023) along with the percentage to our revenue from operations for the Fiscals stated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue in ₹ million	***% of total revenue from operations***	***Revenue in ₹ million***	***% of revenue from operations***	***Revenue in ₹ million***	***% of total revenue from operations***
Customer 1	8,821.34	34.52%	6,889.24	34.22%	4,930.61	31.93%
Customer 2	3,977.31	15.57%	2,707.08	13.45%	1,801.81	11.67%
Customer 3	2,743.66	10.74%	2,357.33	11.71%	1,650.11	10.69%
Total revenue from top three customers	15,542.31	60.83%	11,953.65	59.38%	8,382.53	54.29%
Others	10,009.36	39.17%	8,177.18	40.62%	7,057.39	45.71%
Revenue from Operations	**25,551.67**	**100.00%**	**20,130.83**	**100.00%**	**15,439.92**	**100.00%**

Customer Agreements

We typically enter into general purchase agreements with our customers that set out the general terms and are supplemented by purchase orders wherein the pricing is set out while order quantities are updated through order schedules. Most of our customers provide us with forecasts of order volumes, generally firm for the first month, and a tentative delivery schedule for the following months, as well as annual sales projections that help us estimate the production requirement and capital expenditure for that particular product or business line for facilitating our resource planning. When actual production volumes differ significantly from our estimates, we generally seek to make up any shortfalls through new orders, either with existing or with new customers, which may or may not materialise.

Open purchase orders generally contain the commercial terms of supply for the program including price, delivery location and certain incoterms. The purchase orders are typically subject to conditions such as ensuring that all products delivered to the customer have been inspected and will be safe for use, that orders will be fulfilled according to predetermined delivery schedules and that all products will be built to customer specifications. Some of our customers, under their respective purchase or supply contracts, have the right to check and verify our relevant manufacturing systems processes, which may include inspection of the manufacturing facilities, review of the manufacturing processes and review of the raw materials. Furthermore, our purchase or supply contracts contain a warranty provision which warrants conformity of products to specifications, drawings, samples or descriptions furnished by the customers and further warrants that products delivered will be merchantable, of good material and workmanship and free from defects.

Under our purchase orders, we are usually entitled to pass on price escalations of specified input materials to our customers, including for Aluminium, bought-out parts, and certain paints and packaging materials ("**Indexed Costs**"). Other production costs such as cost of fuel, spares, manpower, inventory carrying cost and currency fluctuations are typically borne by us and are subject to ongoing negotiations ("**Non-Indexed Costs**"). Also see, "***Risk Factors – Internal Risk Factors – Risks related to our financial position – Pricing pressure from our customers or our inability to fully pass on costs to our customer, may impact our revenue from operations and profitability and may result in a materially adverse effect on our business, results of operations and financial condition.***"

In the IAM category, we typically enter into agreements with the dealers for a period of one year and our relationship under the agreements may be characterised as that of a seller and buyer, which do not grant us control over their operations, inventories, and they are free to appoint authorised stockists at their own discretion or compete with one another. Furthermore, our arrangements with such dealers provide them with sales targets, upon meeting which, the dealers shall be provided with turnover discounts.

Intellectual property

We rely on a combination of intellectual property laws, confidentiality procedures and contractual provisions to protect our intellectual property. For details of our registered trademarks, designs and patents, see "***Government and other Approvals – Intellectual Property Rights***" on page 387.

Information Technology

We utilise IT enabled processes for our design and engineering facilities, including the use of computer aided design, computer aided manufacturing and computer aided engineering facilities and design software. We use an enterprise resource planning solution that covers key areas of operations, procurement, inventory, sales and dispatch and accounting. We regularly upgrade our systems to ensure efficiency and business continuity. See also, "***Risk Factors – Internal Risk Factors – Other risks – Failure or disruption of our Information Technology systems may adversely affect our business, financial condition, results of operations and prospects.***" on page 62.

Employees

We have an in-house training and development department (including on-the-job training) for development of relevant management skills and domain expertise for our employees. 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 group accident and health insurance. We currently do not have any registered trade unions at any of our facilities.

As of March 31, 2023, our workforce comprised 1,228 staff (i.e., workforce excluding shop-floor personnel) and 812 non-staff or shop-floor personnel. Additionally, during the month of March 2023, we utilised the services of 4,008 contract labour. The table below sets forth the breakdown of our workforce as of March 31, 2023:

Particulars	As of March 31, 2023
Staff	
Engineering degrees	330
Other professional qualifications	136
Technical diploma	395
Others	367
Total staff	**1,228**
Non-staff or shop floor personnel	
Permanent workers	427
Apprentice	385
Total non-staff	**812**
Contract labour (for the month of March 2023) (1)	**4,008**
Grand Total	**6,048**

Notes:

(1) Computed as total man-days billed for a period divided by the number of days in that period.

The table below sets forth the breakdown of our staff by function as of March 31, 2023:

Particulars	As of March 31, 2023
Manufacturing	818
Finance, IT and legal	105
Sales	108
Corporate and Support Functions	83
R&D and Engineering	74
Human resources	40
Total	**1,228**

Health, Employee Safety, Environment, Social and Governance;

We have developed and adopted the "**CARE**" framework for our environment, health and safety ("**EHS**") standards.

Our commitment to CARE stands for:

- Commitment to provide safe and healthy working conditions for the prevention of work related injury, ill health, protection of environment, prevention of pollution while complying with all compliance obligations, including applicable legal and other requirements relating to EHS.

- Adoption of best practices in development and manufacturing of EHS friendly products & solutions for our customers.

- Reduce risks and eliminate hazards or adverse impacts to the EHS system by upgrading all processes, operations and practices. In order to measure the effectiveness of our system, EHS objectives have been set at board level and are reviewed periodically.

- Ensure consultation and participation of workers in all EHS activities and communicate this policy within the organization while making it available to all interested parties.

We have established a dedicated function to oversee EHS issues for our operations and adopted a comprehensive EHS management system in accordance with applicable standards with policies and practices which are applicable to our employees and contractors within our premises. Furthermore, we aim to continually improve our EHS standards through our CARE framework.

Health and Employee Safety

We endeavour to adhere to laws and regulations relating to protection of health, employee safety and the environment. We carry out our activities while following appropriate standards of work safety and we strive to ensure that our working conditions remain a healthy and safe work environment for our employees. We have an employee health and safety policy to promote workplace health and safety and minimise the risk of accidents at our facilities.

We have taken initiatives to reduce the risk of accidents and prevent environmental pollution at our facilities, including: (i) ensuring that plant employee safety manuals covering employee safety and environmental procedures are in place and that plant level hazard identification and risk assessments are periodically carried out; (ii) providing training and awareness programs on employee safety and environment to all employees, including training on machines and other operations at shop floors, and the use of first aid and other procedures to deal with emergencies; (iii) implementing regular employee safety audits, management review meetings and periodic employee safety meetings; and (iv) conducting periodic emergency mock drills in our plants.

Environment, Social and Governance

We have undertaken several ESG initiatives, including on energy conservation and transitioning toward renewable energy sources and clean fuels.

In respect of energy conservation, we procured energy audits from experts to optimise manufacturing processes for the efficient use of energy, such as: (i) ensuring the cover of melting furnaces to prevent radiation loss; (ii) reduction of operating pressure in air compressors; (iii) replacement of high efficiency pumps; (iv) use of variable frequency devices; and (v) use of LED lights.

We also opted to transition toward renewable energy sources, such as solar and wind power, as set forth in the table below:

Renewable Energy Source	Fiscal 2023	Fiscal 2022	Fiscal 2021
	Power units (kWh million) purchased		
Solar PPA	7.00	6.75	6.18
Solar roof top	0.45	0.45	0.11
Wind	0.45	1.43	1.00
Total	**7.90**	**8.63**	**6.29**

Similarly, we utilised clean fuel sources such as piped natural gas in place of diesel as set forth in the table below:

Clean Fuel Source	Fiscal 2023	Fiscal 2022	Fiscal 2021
	Power units (SCM million) Purchased		
Piped natural gas	0.60	0.42	0.31

In addition, we have worked towards reducing the environmental impact of our operations. Several initiatives in this respect include: (i) organising workshops to enhance the capabilities of plant heads and their teams with respect to environment compliance management; (ii) setting up and periodically upgrading effluent and sewage treatment plants at our manufacturing facilitates to treat and recycle treated wastewater; (iii) installing solar panels and sourcing power for our operations from renewable energy sources; and (iv) switching to LED lights from a conventional lighting system.

We have obtained, or are in the process of renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, wastewater discharge, and handling, storage and disposal of hazardous substances and wastes. As of March 31, 2023, seven out of 14 of our facilities were certified with environmental management systems and Occupational Health and Safety management system (i.e., ISO 14001:2015 and ISO 45001:2018). Our plants are also equipped with all the pollution control devices (i.e., ETP, STP, APCM), online analyzers to take care of any environment aspects, and dedicated occupation health centers in accordance with the relevant laws and regulations to ensure the health and safety of our employees.

Insurance

Our business and operations are subject to various risks inherent in the automotive and non-automotive systems manufacturing industries such as risk of equipment failure, work accidents, fire, theft, earthquake, flood, product recall and 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, as well as for product liability coverage and workmen compensation. We also maintain insurance policies covering directors' and officers' liability, cyber security, commercial general liability (except for aircraft products) to cover any product recall and product liability risk and policies that provide coverage for risks during the shipment of products. In addition, we typically maintain fire and special perils policy with add-on cover for earthquakes, insurance against theft and burglary for our stocks at vendors and transporters end and marine cargo sales turnover policies to cover various risks during the transit of goods anywhere in the country and overseas.

Lastly, we have personal accident insurance policy for our employees, group mediclaim policies for our employees and their families and other insurance policies to manage the risk of losses from potentially harmful events, public liability insurance policies and money insurance policies. We are not insured against consequential damages, environmental damages, terrorist acts and war related events.

We believe that our insurance coverage is in accordance with industry custom, 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 example, in the case of business interruption, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Property

Our Company's registered office is situated at a property owned by our Director, Prashant Rathee located at Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India. This property has been provided to us for use under a right-to-use agreement dated November 1, 2022. Further, our corporate office is situated at Plot No. 13,14, Sector 5, IMT Manesar, Gurugram 122 050, Haryana, India. Furthermore, as of March 31, 2023, we operate 15 manufacturing facilities across India, and are in the process of setting up our 16th (sixteenth) and 17th (seventeenth) manufacturing facilities at Rajasthan and Karnataka. Of our 15 manufacturing units, we have eight facilities which are on lease or licensed basis. For further details on our capacity utilisation of our manufacturing facilities, see " – ***Manufacturing – Manufacturing Capacity and Capacity Utilisation at our 15 facilities***", on page 197.

The following table sets out key details of our manufacturing facilities:

S. No.	Plant Name	Location	Area	Owner/ Lessor	Leased/ Owned	Date of agreement and term of lease (as applicable)	Rent	Purpose
ASK Automotive Limited								
1.	ASK-1	Plot No. 66&67, Udyog Vihar, Phase-1, Gurugram, Haryana-122001	900 Sq. Mtrs.	ASK Automotive Limited	Owned	Sale Deed dated September 12, 1988	N.A.	Manufacturing
2.	ASK-2	Plot No. 30-31, Village Nawada, Fatehpur, Gurugram, Haryana-122050	8,303.89 Sq. Mtrs.	A P Automotives Private Limited.	Leased	Original lease deed executed on April 1, 2021 for tenure of 3 years. Revised lease deed executed on September 14, 2021 for the remaining tenure as per Original lease deed	₹1.28 million per month	Manufacturing
3.	ASK-3	Plot No. 28, Sector-4, IMT Manesar, Gurugram, Haryana-122050	7,875 Sq. Mtrs.	ASK Automotive Limited	Owned	Regular Letter of Allotment dated November 14, 2003	N.A.	Manufacturing
4.	ASK-4	Plot No. 79, Sector-6, IMT Manesar, Gurugram, Haryana-122050	1,012.50 Sq. Mtrs	Savita Devi	Leased	Lease Agreement dated September 11, 2020. Lease period from August 1, 2020 to July 31, 2025	₹0.16 million per month. Rent is to increase by 15% from August 1, 2023.	Manufacturing

S. No.	Plant Name	Location	Area	Owner/ Lessor	Leased/ Owned	Date of agreement and term of lease (as applicable)	Rent	Purpose
5.	ASK 5	Plot No. 21, IP-4, Village-Begampur, Haridwar, Uttarakhand-249405	4,050 Sq. Mtrs.	ASK Automotive Limited	Owned	Sale Deed dated February 10, 2010	N.A.	Manufacturing
6.	ASK-7	Plot No. 155-156, Sector-5, IMT Manesar, Gurugram, Haryana-122050	10,800 Sq. Mtrs.	ASK Automotive Limited	Owned	Conveyance deed dated September 6, 2010	N.A.	Manufacturing
7.	ASK-8	Plot No. 176, Part-I, Narsapur industrial Area, Malur Taluk, Banglore, Karanatka-560001	16,188 Sq. Mtrs.	KIADB	Leased	Lease Cum Sale Agreement dated April 9, 2012. Lease period from April 9, 2012 for a period of 10 years. (1)	Yearly rent of ₹0.004 million and yearly maintenance of ₹ 0.012 million	Manufacturing
8.	ASK-10	Plot No. 6, Sector-2A, IMT Manesar, Gurugram, Haryana-122050	1,527.75 Sq. Mtrs.	ASK Automotive Limited	Owned	Regular letter of Allotment dated March 3, 2014	N.A.	Manufacturing
9.	ASK-11	Plot No. 166, Rampura Andla Road, Vasna Chhaniyar Detroj, Ahmedabad, Gujrat-382140	42,593 Sq. Mtrs.	ASK Automotive Limited	Owned	Sale Deed dated July 5, 2014	N.A.	Manufacturing
10.	ASK-12	Plot No. 13-14, Sector-5, IMT Manesar, Gurugram, Haryana-122050	22,050 Sq. Mtrs.	ASK Automotive Limited	Owned	Sale deed dated January 19, 2018	N.A.	Manufacturing
11.	ASK-14	Khasara No. 154, Mauja, Village – Theda, P.O. – Manpura, Tehsil – Nalagarh, Solan, Himachal Pradesh 174101	1,672.26 Sq. Mtrs.	Balwinder Kaur	Leased	Deed of lease dated December 24, 2019. Lease period from January 1, 2020 to December 31, 2023	₹0.27 million per month	Manufacturing
12.	ASK-15	Plot No. 107, Sector-6A, IIE Sidcul, Haridwar, Uttarakhand-249403	1,000 Sq. Mtrs.	State Industrial Development Corporation of Uttarakhand Limited	Leased	Lease deed dated December 3, 2018. Lease period from December 3, 2018 for a period of 90 years.	₹5 per year	Manufacturing

S. No.	Plant Name	Location	Area	Owner/ Lessor	Leased/ Owned	Date of agreement and term of lease (as applicable)	Rent	Purpose
13.	ASK-16	Plot No. 157-158, Sector-5, IMT Manesar, Gurugram, Haryana-122050	10,800 Sq. Mtrs.	Mr. Prashant Rathee and Mr. Aman Rathee	Leased	Lease Agreement dated April 28, 2021. Lease period from April 1, 2021 to March 31, 2024	₹3.69 million per month	Manufacturing
14.	ASK-17	Plot No. 76, Sector-3 IMT Manesar, Gurugram, Haryana-122050	1,800 Sq. Mtrs	Virender Singh and Manju Yadav	Leased	Lease Deed dated June 29, 2016. Lease period from July 1, 2016 to June 30, 2025.	₹0.30 million per month	Manufacturing
ASK Automobiles Private Limited								
15.	ASK AM - 1	Survey No. 36/1, Seethappanahalli, Village – Kasaba Hobli, Malur Taluk, Karnataka	3,339.60 Sq. Mtrs.	PLL Enterprise Private Limited	Leased	Lease deed dated December 30, 2021. Lease period from January 1, 2022 for a period of 3 years	₹0.29 million per month	Manufacturing
16.	ASK AM - 2 [(2)]	Plot No. SP4-315, Riico Industrial Area, Karoli, Bhiwadi, Rajasthan	91,624 Sq. Mtrs.	RIICO	Leased	Lease Agreement dated April 26, 2022. Lease period from November 1, 2021 for a period of 99 years	₹6,872 per annum	Manufacturing

Notes:

(1) The property was acquired from KIADB in February 2012 on a lease-cum-sale basis with a lease term of 10 years on the expiry of which, the land title was to be transferred in the name of our Company. However, the compensation for this arrangement is currently disputed and pending resolution, KIADB has extended the existing lease arrangement for two years, i.e., up to April 2024.

*(2) We plan to construct a new manufacturing facility at plot no. SP4-315, Riico Industrial Area, Karoli, Bhiwadi, Rajasthan, allotted by RIICO Rajasthan, which will be dedicated to manufacturing products for all our business operations for AB systems, ALP solutions and SCC products. Also see, “ **– Planned New Manufacturing Facilities**” on page 201.*

In addition to our facilities above, we have been allotted land in Karnataka by KIADB in June 2023, on which we propose to set up a facility to manufacture ALP solutions.

Corporate Social Responsibility

Our CSR initiatives are aligned with the requirements under the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. We strive to meet our commitment towards the community by committing our resources and energies to social development. Our CSR programs are committed to the overall welfare and development of society, promotion of nationally recognised sports, paralympic and olympic sports, environmental sustainability, disaster management, empowering woman, promoting education and health care.

To this end, we established the AHSAAS trust to spearhead our CSR efforts. Through AHSAAS, we have initiated the following CSR programs in line with our commitment towards the community:

- Donating an oxygen plant to the Gurugram administration to aid the state government against the Covid-19 pandemic in Fiscal 2022;

- Contributed to Green Belt Initiatives for a four acre land in Manesar, Haryana in Fiscal 2022;

- Donated Maruti Suzuki Ertiga vehicles to the Gurugram police force to strengthen the safety of women and to uphold the rule of law in the city of Gurugram, Haryana in Fiscal 2021; and

- Provided financial support to athletes participating in the Paralympics and the Asian Games in Fiscals 2020, 2021 and 2022 to promote nationally recognised sports on the global arena.

For details on our CSR spends and activities, see "***Restated Consolidated Financial Information – Note 31.2 – Corporate social responsibility expenditure***" on page 311.

Competition

The Indian automotive systems manufacture industry is characterised by strong competition among increasingly quality-conscious manufacturers (*Source: CRISIL Report*). We face competition from competitors both domestically and internationally, in relation to specific sectors, categories, sub-categories or geographies.

Notably, competition in the 2W industry has intensified across all categories over the past few years due to capacity additions, expansion of dealer network, and model launches at competitive price points (*Source: CRISIL Report*). The key factors of competition may also include quality, cost, delivery, technical capability, level of vertical or horizontal integration, and quality of management. Consequently, we compete with different companies under each of our business categories. The following table indicates our key competitors in the domestic market for our key business categories:

Business Category	Key Competitors
AB systems (2W and 3W sectors)	Allied Nippon, Endurance Technologies, Brembo.
AB systems (PV and CV sectors)	Brakes India, Rane Holdings, Bosch, Allied Nippon, Sundaram Brake Linings, Hindustan Composites and Masu Brake Pads
ALP solutions	Endurance Technologies, Craftsman Auto, Sundaram Clayton Limited, Rico Auto Industries, Rockman Industries, Sunbeam Lighweighting, Sandhar Group and Alicon Castalloy
SCC products	Suprajit Engineering Limited, Ramson Industries and Hi-LEX

(*Source: CRISIL Report*)

While we face strong competition, we believe that our core expertise in all aspects of design and engineering, our diversified portfolio of products, our ability to meet our customers' varying requirements and stringent timelines, and our relationships that we have built with our customers differentiate us from our competitors. As a critical component of automotive systems due to their importance to road safety, braking systems are developed using proprietary material formulations and require technological prowess to develop products that are effective and economical, which creates high entry barriers (*Source: CRISIL Report*).

For further details on our competitors, see, "***Industry Overview***" on page 127.

Awards and Recognition

The table below sets out the customer awards we have received for our various safety systems and critical engineering solutions.

Year	Award	Customer
2023	Award for Special Effort for establishment of Crank Case Machining Line	HMSI
2022	Award for Quality & Delivery Performance	Largest PV OEM in India (*Source: CRISIL Report*)
2022	Award for Delivery Management	HMSI
2022	Certificate of excellence for outstanding performance in delivery and quality parameters of spare parts during April 2022 to September 2022	PV OEM in India for supply to an affiliate

Year	Award	Customer
2022	Best Quality Performance	Stanley Black & Decker
2021	Award for “Special Support”	Denso
2021	Award for Delivery Management	HMSI
2020	Award for Delivery Management	HMSI
2018	Award for Delivery Management	HMSI
2018	Supplier Award for Superior Performance in Working Capital	Stanley Black & Decker
2017	Award for Delivery Management	HMSI
2016	Award for Outstanding Performance in Development Support	Denso
2016	Gold Quality Award	Bajaj
2015	Award for Cost Competitiveness	HMSI
2015	Award for Delivery Management	HMSI
2015	Award for HMSI 4F Support Strong Q&D Efforts for new factory in Gujarat	HMSI
2013	Special Award for Excellence in Cost Innovation	Yamaha
2013	Award for Business Expansion Support Supplier	HMSI
2012	Vendor Performance Award in the Field of Quality	Suzuki
2011	Award for Delivery & Management Quality	HMSI
2010	New Product development support award	Denso
2009	Award in the Proprietary Category	HMSI
2006	Certificate for achieving Quality & Delivery targets for the year 2005-06	HMSI
2005	Award for Development – Motorcycle Parts (Engine) Best & Fastest Development	HMSI
2004	Award for Challenge India Support (Chassis Group)	HMSI

KEY REGULATIONS AND POLICIES IN INDIA

The following is a brief overview of certain sector specific laws and regulations in India which are applicable to the business and operations of our Company. The information in this section has been obtained from legislations, including rules, regulations, guidelines and circulars promulgated and issued by regulatory bodies that are available in the public domain. The description of laws and regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. For details of the government approvals obtained by our Company, see *"**Government and Other Approvals**" beginning on page 385.*

Key legislations applicable to our business

National Electric Mobility Mission Plan 2020

The National Electric Mobility Mission Plan 2020 ("**NEMMP**"), which was released in 2013, is a vision and the roadmap for the faster adoption of electric vehicles and their manufacturing in the country. This plan has been designed by the Ministry of Heavy Industries and Public Enterprises to enhance national fuel security, to provide affordable and environmentally friendly transportation and to enable the Indian automotive industry to achieve global manufacturing leadership. Further, it is also proposed to establish necessary charging infrastructure for electric vehicles across India.

As part of the NEMMP, a scheme was formulated namely, Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India Scheme ("**FAME India**") in the year 2015 to promote manufacturing of electric and hybrid vehicle technology and to ensure sustainable growth of the same ("**Phase-I Scheme**"). The Phase-I Scheme was initially launched for a period of two years, commencing from April 1, 2015, which was subsequently extended from time to time and the last extension was allowed up to March 31, 2019. Department of Heavy Industry has notified Phase-II of the Fame India scheme, with an outlay of ₹ 10,000 crore for a period of three years commencing from April 1, 2019 ("**Phase-II Scheme**"). The main objective of the Phase-II Scheme is to encourage faster adoption of electric and hybrid vehicle by way of offering upfront incentive on purchase of electric vehicles and also by establishing the necessary charging infrastructure for electric vehicles.

National Auto Policy and Automotive Mission Plan 2016-2026

The Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises released the draft National Auto Policy that envisages propelling India amongst the top three nations in the world in engineering, manufacturing and export of automotive vehicles and components. The key policy guidelines prescribed by the National Auto Policy include *inter alia* measures to increase exports of vehicles and components including by considering a phased increase of duty credit scrips (from 2%) for export of vehicles and auto components in line with comparable products to target countries under Merchandise Export from India Scheme.

The Ministry of Heavy Industries and Public Enterprises, GoI released the Automotive Mission Plan 2016-26 ("**AMP**") in September 2015 with the objective of making the Indian automotive industry an integral part of the "Make in India" initiative. This plan aims to, among others, promote safe, efficient and comfortable mobility for every person in the country along with environmental protection and affordability through both public and personal transport options.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009, as amended (the "**Metrology Act**") aims to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. Any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

Consumer Protection Act, 2019 and the rules made thereunder

The Consumer Protection Act, 2019 (the "**Consumer Protection Act**"), which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, inter alia to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" under the Consumer Protection Act also includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

The Explosives Act, 1884 and the Explosives Rules, 2008

The Explosives Act, 1884 ("**Explosives Act**") is a comprehensive law which regulates by licensing the manufacturing, possession, sale, transportation, export and import of explosives. Under the Explosives Act, "explosive" means *inter alia* any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act. In furtherance to the purpose of the Explosives Act, the Central Government has notified the Explosive Rules, 2008 in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

Notification number 477(E) dated July 25, 1991 and Press Note 9 dated August 2, 1991 of the Ministry of Commerce and Industry, Government of India

The Ministry of Commerce and Industry, Government of India pursuant to its notification number 477(E) dated July 25, 1991 ("**Notification**") exempted certain industrial undertakings from the provisions of the Industries (Development and Regulation) Act, 1951 ("**Industries Act**") providing for licencing of industrial undertakings. Under the Industries Act an industrial undertaking means any undertaking pertaining to an industry (mentioned in the schedule to the Industries Act) that is carried on in one or more factories by any person or authority including the Government. Industries undertaking the manufacture of articles exempted from industrial license in terms of the Notification are required to submit an Industrial Entrepreneurs Memorandum ("**IEM**") for undertaking the manufacture of such exempted articles under the provisions of the press note no. 9 dated August 2, 1991.

Export Promotion Capital Goods Scheme, 2020

The Export Promotion Capital Goods Scheme (the "**EPCG Scheme**") provides that importers can benefit from reduced duties on the import of capital goods provided that they fulfil an export obligation to export a prescribed amount of their goods manufactured or services rendered (such amount being a multiple of the duty saved) within a specified period. Export obligations can be fulfilled by either through direct exports or through third parties. An EPCG authorization holder shall be liable to pay custom duties along with interest custom in the event of nonfulfillment of prescribed export obligations.

Environmental Legislation

Environment Protection Act, 1986 (the "EP Act") and the Environment Protection Rules, 1986 (the "EP Rules") read with the Environmental Impact Assessment Notification, 2006 ("EIA Notification")

The EP Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation, or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations, or processes through prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards ("**State PCB**"), to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air Act provides for the prevention, control and abatement of air pollution. Under the Air Act, the State Government may, after consultation with the state pollution control board declare, any area or areas within the State as air pollution control area or areas for the purposes of the Air Act. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. Further, under section 22 of the Air Act, no person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, "hazardous waste" *inter alia* means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

Labour Law legislations

Factories Act, 1948

The Factories Act, 1948, as amended (the "**Factories Act**"), defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each State Government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("**CLRA**") regulates the employment of contract labour in certain establishments. The CLRA provides that the appropriate Government may, after consultation with the Central or State Advisory Boards (constituted under the CLRA), prohibit employment of contract labour in any process, operation or other work in any establishment.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exist, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

In addition to the Factories Act, the CLRA and the local shops and establishments legislations, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- Employee's Compensation Act, 1923.
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- Employees' State Insurance Act, 1948.
- The Equal Remuneration Act, 1976.
- Maternity Benefit Act, 1961.
- Minimum Wages Act, 1948.
- Payment of Bonus Act, 1965.
- Payment of Gratuity Act, 1972.
- Payment of Wages Act, 1936.
- The Child Labour (Prohibition and Regulation) Act, 1986.
- The Labour Welfare Fund Act, 1965.
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

(a) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, *among other things*, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government.
(b) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government.
(c) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force certain sections of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.
(d) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020. Through its notification dated April 30, 2021, the Government of India brought into force section 142 of the Code on Social Security, 2020. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

Intellectual Property Laws

The Trade Marks Act, 1999 (the "Trademarks Act")

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trade mark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the 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 Copyright Act, 1957 and the Copyright Rules, 2013 (the "Copyright Rules")

The Copyright Laws governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions

The Patents Act 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

Foreign Investment and Trade Regulations

Foreign Investment Regulations

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999, as amended, along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time (the "**Consolidated FDI Policy**"). Under the current Consolidated FDI Policy, foreign investment in manufacturing sector is under automatic route. Further, a manufacturer is permitted to sell its products manufactured in India through wholesale and/or retail, including through e-commerce, without Government approval.

Foreign Trade (Development and Regulation) Act, 1992 (the "FTA")

The FTA seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number ("**IEC**") granted by the Director General of Foreign Trade, Ministry of Commerce ("**DGFT**"). The IEC granted to any person may be suspended or cancelled *inter alia* in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy would become liable to a penalty under the FTA.

Laws Relating to Taxation

Laws Relating to Taxation

The Goods and Services Tax ("**GST**") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the State Government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 ("**CGST**"), relevant state's Goods and Services Act, 2017 ("**SGST**"), Union Territory Goods and Services Act, 2017 ("**UTGST**"), Integrated Goods and Services Act, 2017 ("**IGST**"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the "**Income Tax Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its "Residential Status" and "Type of Income" involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

Under the Customs Act, 1962 the Central Government has the power to prohibit either absolutely or subject to such conditions, the import or export of goods of any specified description. Further, the Central Government may specify goods of such class or description, if it is satisfied that it is necessary to take special measures for the purpose of checking the illegal import, circulation or disposal of such goods.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated on January 18, 1988 as a private limited company under the Companies Act, 1956, with the name "ASK Automotive Private Limited", pursuant to a certificate of incorporation granted by the RoC. Upon the conversion of our Company into a public limited company, pursuant to resolutions passed by our Board of Directors on December 7, 2022 and our Shareholders on December 7, 2022 the name of our Company was changed to "ASK Automotive Limited" and a fresh certificate of incorporation dated January 6, 2023 was issued by the RoC.

Changes in the Registered Office

Details of changes in the registered office of our Company since the date of incorporation are set forth below:

Effective date	Details of change	Reasons for change
December 30, 1993	The address of the registered office of our Company was changed from 38-D, Pocket-A, Sukhdev Vihar, SGS, New Delhi 110 025, Delhi, India to G-24/5 Rajouri Garden, New Delhi 110 027, Delhi, India	To meet business requirements
November 11, 1995	The address of the registered office of our Company was changed from G-24/5 Rajouri Garden, New Delhi 110 027, Delhi, India to C-8/8750 Vasant Kunj, New Delhi 110 070, Delhi, India	To meet business requirements
July 1, 1997	The address of the registered office of our Company was changed from C-8/8750 Vasant Kunj, New Delhi 110 070, Delhi, India to Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India	To meet business requirements

Main objects of our Company

The main objects contained in our Memorandum of Association are set forth below:

"1. To manufacturer, process, retail, wholesale, export, import all kinds of automobile parts, accessories, implements, components and tools of its own or on job work basis for others under the design, pattern, style, model developed by the company or in collaboration with other firms/companies/establishments in/or out of India for use in or manufacture of automobiles made in/or out of India of every description and uses.

2. To design, manufacture, assemble, test, import, export, buy, sell, distribute, service, repair, stock, deal and trade in braking systems and components thereof ("Brakes") of all types for application in automotive and general industries.

3. To design, manufacture, assemble, test, import, export, buy, sell, distribute, service, repair, stock, deal and trade in precision castings of all types, including items of ferrous, and non- ferrous metals for application in automotive and general industries.

4. To design, manufacture, assemble, test, import, export, buy, sell, distribute, service, repair, stock, deal and trade in safety control cables and components thereof of all types for application in automotive and general industries.

5. To design, develop, manufacture, assemble, test, import, export, buy, sell, distribute, service, repair, stock, deal and trade in precision machined components and assemblies for use in automotive and general industries and for all types, parts, components and accessories thereof and products related thereto.

6. To design, develop, manufacture, buy, sell, lease or hire, import, export, process, use, deal and trade in plant, machinery, equipment apparatus, materials, articles and commodities in relation to designing, developing, manufacturing, testing, assembling, installing, repairing, reconditioning and overhauling precision components and assemblies of all types, parts, components and accessories thereof and products related thereto in all types of brakes, safety control cables, precision castings using all types of ferrous and non-ferrous metals for parts and components to be used in automotive and other general industries and parts, components, accessory, assemblies and components thereof.

7. To design, develop, manufacture, assemble, test, import, export, buy, sell, distribute, services, repair, stock, deal and trade in dies, tools, fixtures for use in manufacturing of brakes, safety control cables, precision castings and components of all types, parts and components thereof.

8. To design and offer technical services to industries on manufacturing of brakes, safety control cables, precision castings and machined components and assemblies and thing related to project planning and implementation, project financing, process development, productivity related activities, quality up gradation, imports and exports.

9. To design, develop, test, sell, import, export and deal in plant and machinery required for the manufacture of brakes, safety control cables, precision castings, components and assemblies required in automotive and general industries and for all types, parts, components and accessories thereof and products related thereof."

The main objects clause and matters necessary for furtherance of the main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association of the Company during the 10 years immediately preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/Effective date	Details of amendment
February 1, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital of our Company from ₹ 5,000,000 divided into 50,000 equity shares of ₹ 100 each to ₹ 120,000,000 divided into 1,200,000 equity shares of ₹ 100 each.
February 16, 2018	Clause V of the Memorandum of Association of our Company was amended to reflect the sub-division of the authorized share capital of our Company from ₹ 120,000,000 divided into 1,200,000 equity shares of face value of ₹ 100 each to ₹ 120,000,000 divided into 60,000,000 Equity Shares of face value of ₹ 2 each
June 3, 2019[(1)]	Pursuant to the composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company, clause V of the Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital of our Company from ₹ 120,000,000 divided into 60,000,000 Equity Shares of face value of ₹ 2 each to ₹ 125,000,000 divided into 62,500,000 Equity Shares of ₹ 2 each. For details see ***"– Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets, etc., in the last 10 years – Composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company***" on page 235.
March 6, 2021	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in the authorized share capital of our Company from ₹ 125,000,000 divided into 62,500,000 Equity Shares of ₹ 2 each to ₹ 450,000,000 divided into 225,000,000 Equity Shares of ₹ 2 each.
December 7, 2022	Substituted and amended by the erstwhile Memorandum of Association and replaced with the current Memorandum of Association of the Company pursuant to the conversion of the Company from a private limited company to a public limited company under the Companies Act, 2013.

(1) The composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company came into effect from the amalgamation appointed date, i.e., April 1, 2018.

For more details see "***Capital Structure – Equity share capital history of our Company***" on page 88.

Major events and milestones

The table below sets forth certain major events in the history of our Company:

Calendar Year	Events and Milestones
1989	Commenced manufacturing activities at our manufacturing facility, ASK-1 situated in Gurugram, Haryana, India
	Entered into the OEM market for AB systems with brake shoes

2001	Commenced manufacturing activities at our manufacturing facility, ASK-2 situated in Gurugram, Haryana, India
2004	Commenced manufacturing activities at our manufacturing facility, ASK-3 situated in IMT Manesar, Gurugram, Haryana, India
	Entered into the OEM market for ALP with panel assembly for front brake
2009	Commenced manufacturing activities at our manufacturing facility, ASK-4 situated in IMT Manesar, Gurugram, Haryana, India
2010	Commenced manufacturing activities at our manufacturing facility, ASK-5 situated in IMT Manesar, Gurugram, Haryana, India
2012	Commenced manufacturing activities at our manufacturing facility, ASK-7 situated in IMT Manesar, Gurugram, Haryana, India
2013	Commenced manufacturing activities at our manufacturing facility, ASK-8 situated in Narsapur Industrial Area, Bengaluru, Karnataka, India
2014	Commenced manufacturing activities at manufacturing facility, ASK-9 situated at industrial plot number 446-D, Sector 8, Manesar, Gurugram 122 050, Haryana, India. Pursuant to the sale deed dated March 27, 2018, our Company has sold ASK-9 to Vijay Rathee
	Commenced manufacturing activities at manufacturing facility, ASK-10 situated in IMT Manesar, Gurugram, Haryana, India
2015	Commenced manufacturing activities at our manufacturing facility, ASK-11 situated in Vasna Chhaniyar Detroj, Ahmedabad, Gujarat, India
	Entered into the aftermarket for safety control cables and others with clutch cables, front brake cables, throttle cables and speedometer cables
2017	Entered into a joint venture with Fras-Le S.A., Brazil and incorporated the Joint Venture, ASK Fras-Le Friction Private Limited
2018	Entered into a business purchase agreement with Aman Rathee and AK Auto Industries pursuant to which ASK-14 was transferred to our Company by AK Auto Industries. See, "***– Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets, etc., in the last 10 years – Business purchase agreement dated March 26, 2018 executed by our Company, AK Auto Industries and Aman Rathee***" on page 236.
	Entered into a business purchase agreement with Prashant Rathee and APK Automotive pursuant to which ASK-15 was transferred to our Company by APK Automotive. See, "***– Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets, etc., in the last 10 years – Business purchase agreement dated March 26, 2018 executed by our Company, APK Automotive and Prashant Rathee***" on page 236.
2019	Commenced manufacturing activities at our manufacturing facility, ASK-12 situated in IMT Manesar, Gurugram Haryana, India
	Entered into the composite scheme of amalgamation and demerger between A.A. Autotech Private Limited and Vijaylaxmi Infra Projects Private Limited pursuant to which manufacturing facilities ASK-16 and ASK-17, both situated in IMT Manesar, Gurugram, Haryana, India were transferred to our Company from A.A. Autotech Private Limited. See ***"– Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets, etc., in the last 10 years – Composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company***" on page 235.
2021	Incorporated our wholly-owned Subsidiary, ASK Automobiles Private Limited as a private limited company under the Companies Act, 2013. See "***Subsidiary – ASK Automobiles Private Limited***" on page 239.

Key awards, accreditations and recognition

Set forth below are some of the key awards, accreditations and recognition received by our Company:

Calendar Year	Awards and accreditations
2004	Award for Challenge India Support (Chassis Group) from Honda Motorcycle and Scooter India Private Limited
2005	Award for Development – Motorcycle Parts (Engine) Best & Fastest Development Award from Honda Motorcycle and Scooter India Private Limited
2006	Achievement Award for achieving the Quality & Delivery Targets for the year 2005-06 from Honda Motorcycle and Scooter India Private Limited at 7th Supplier Convention
2009	Award for Proprietary from Honda Motorcycle and Scooter India Private Limited
2010	New Product Development Support award from Denso Haryana Private Limited at Business Partners' Meet 2009-10
	Achievement Award for achieving the Quality & Delivery Targets for the year 2009-10 from Honda Motorcycle and Scooter India Private Limited at 11th Supplier Convention
2011	Award for Delivery and Management Quality from Honda Motorcycle and Scooter India Private Limited

Calendar Year	Awards and accreditations
2012	Vendor Performance Award in the field of quality from SUZUKI Motorcycle India Private Limited at the Annual Vendor Conference, SUZUKI Motorcycle India Private Limited
2013	Award for Business Expansion Support Supplier from Honda Motorcycle and Scooter India Private Limited
	Certificate of Recognition for winning Special Award for Excellence in Cost Innovation from India YAMAHA Motor Private Limited
2015	Award for Delivery Management from Honda Motorcycle and Scooter India Private Limited at Supplier Conference
	Award for Cost Competitiveness from Honda Motorcycle and Scooter India Private Limited
	Award for Honda Motorcycle and Scooter India Private Limited 4F Support Strong Q&D efforts for new factory in Gujarat at Supplier Convention
2016	Award for Outstanding Performance in Development Support from Denso Haryana Private Limited at business partners meet 2016
	Quality Award "Gold" from Bajaj Auto Limited
2017	Delivery Management from Honda Motorcycle and Scooter India Private Limited
2018	Supplier Award for Superior Performance in Working Capital from Stanley Black & Decker Reynosa Plant
	Award for Delivery Management from Honda Motorcycle and Scooter India Private Limited at Supplier Convention
2019	Award for Delivery Management from Honda Motorcycle and Scooter India Private Limited at Supplier Convention
2020	Award for Delivery Management from Honda Motorcycle and Scooter India Private Limited at Supplier Convention
	Obtained ISO 45001:2018 certification for our occupational health and safety management system maintained at our facility, ASK-3
	Obtained ISO 45001:2018 certification for our occupational health and safety management system maintained at our facility, ASK-7
	Obtained ISO 14001:2015 certification for our environmental management system maintained at our facility, ASK-3
	Obtained ISO 14001:2015 certification for our environmental management system maintained at our facility, ASK-7
2021	Award for Special Support from Denso Haryana Private Limited at Business Partners' Meet 2020-21
	Award for Delivery Management from Honda Motorcycle and Scooter India Private Limited at Supplier Convention
	Obtained ISO 45001:2018 certification for our occupational health and safety management system maintained at our facility, ASK-12
	Obtained ISO 45001:2018 certification for our occupational health and safety management system maintained at our facility, ASK-17
	Obtained ISO 14001:2015 certification for our environmental management system maintained at our facility, ASK-12
	Obtained ISO 14001:2015 certification for our environmental management system maintained at our facility, ASK-17
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-3
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-4
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-5
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-7
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-8
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-10
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-11
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-12
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-16
	Obtained IATF 16949:2016 certification for quality management system maintained at our facility, ASK-17
	Obtained ISO 9001:2015 certification for quality management system maintained at our facility, ASK-12

Calendar Year	Awards and accreditations
	Obtained certificate certifying that our facility, ASK-3 was a part of the management system maintained at our facility, ASK-12 having ISO 9001:2015 certification
	Obtained certificate certifying that our facility, ASK-7 was a part of the management system maintained at our facility, ASK-12 having ISO 9001:2015 certification
2022	Award for Delivery Management from Honda Motorcycle and Scooter India Private Limited at Annual Supplier Conference
	Award for Best Quality Performance" from Stanley Black & Decker
2023	Obtained ISO 45001:2018 certification for our occupational health and safety management system maintained at our facility, ASK-8
	Obtained ISO 14001:2015 certification for our environmental management system maintained at our facility, ASK-8
	Award for "Best Environment in Premises (Runner-up)" at the Haryana State Safety and Welfare and Health Awards
	Award for "Lowest Accident Frequency Rate" at the Haryana State Safety and Welfare and Health Awards
	Award for "Special Effort for Establishment of Crank Case Machining Line" from Honda Motorcycle and Scooter India Private Limited at Annual Supplier Conference

[(1)] *A.A. Autotech Private Limited was amalgamated with our Company pursuant to the composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company.* For more details see ***"– Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets, etc., in the last 10 years – Composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company***" on page 235.

Significant financial or strategic partnerships

Our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Time/cost overrun in setting up projects

We have not experienced any time or cost overrun in setting up our projects as on the date of this Draft Red Herring Prospectus.

Capacity/facility creation, location of plants

For details regarding capacity/facility creation and location of plants of our Company and its Subsidiary, see "***Our Business***" beginning on page 181.

Launch of key products or services, entry in new geographies or exit from existing markets

For details of key products launched by us and entry into new geographies or exit from existing markets, as applicable, see "***Our Business***" beginning on page 181 and "***– Major events and milestones***" on page 232.

Defaults or re-scheduling/restructuring of borrowings with financial institutions/banks

As on the date of this Draft Red Herring Prospectus, there have been no defaults or rescheduling/restructuring of borrowings with financial institutions/banks.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations, any revaluation of assets, etc., in the last 10 years

Except as disclosed below, our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc., during the 10 years immediately preceding the date of this Draft Red Herring Prospectus:

Composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company

Pursuant to a composite scheme of arrangement/amalgamation and demerger under sections 230 to 232 of the Companies Act, 2013 between the Company, A.A. Autotech Private Limited and Vijaylaxmi Infra Projects Private Limited, as approved by the National Company Law Tribunal, Principal Bench, New Delhi by way of its order dated May 3, 2019 ("**Scheme**"), (i) A.A. Autotech Private Limited amalgamated into our Company; and (ii) the erstwhile real estate and project management consultancy business of our Company demerged into Vijaylaxmi Infra Projects Private Limited. The appointed date for the amalgamation was April 1, 2018 and for the demerger was March 31, 2018.

Pursuant to the Scheme (i) the erstwhile real estate and project management consultancy business of our Company comprising, among other things, its assets including investments, receivables, loans and advances, bank balances and deposits, properties including immovable properties, intellectual property rights, liabilities, rights, benefits, interest, licenses, permissions, approvals, consents, registrations, clearances and concessions, insurance policies, encumbrances, employees, contracts, taxes and legal proceedings of whatsoever nature were transferred to Vijaylaxmi Infra Projects Private Limited as a going concern from the effective date of June 3, 2019; and (ii) the entire business of A.A. Autotech Private Limited, comprising, among other things, its assets including investments, loans and advances, bank balances, properties, liabilities, debts, contingent liabilities, licenses, permits, and legal proceedings, were transferred to our Company as a going concern from the effective date of June 3, 2019. Our manufacturing facilities ASK-16 and ASK-17, both situated in IMT Manesar, Gurugram, Haryana, India were transferred to our Company from A.A. Autotech Private Limited pursuant to the Scheme. In terms of the Scheme, our Company, as consideration for the amalgamation of A.A. Autotech Private Limited's business into our Company, issued 20 Equity Shares for every one fully paid-up equity share of ₹ 10 each of A.A. Autotech Private Limited held by the shareholders of A.A. Autotech Private Limited; and Vijaylaxmi Infra Projects Private Limited, as consideration for the demerger of the real estate and project management consultancy business of our Company, issued one equity share of ₹ 10 each for every 50 Equity Shares of our Company held by its Shareholders.

Business purchase agreement dated March 26, 2018 executed by our Company, AK Auto Industries and Aman Rathee

Our Company, pursuant to a business purchase agreement dated March 26, 2018 with AK Auto Industries and Aman Rathee, acquired the entire business of independent aftermarket sale of two wheeler/three wheeler brake products of AK Auto Industries, including, the manufacturing facility, ASK-14 and other plant and machinery, inventories, manpower, technology, licenses, permissions, approvals, contracts and agreements, etc., on a slump sale basis. Our Company paid an aggregate consideration of ₹ 1,079.82 million to Aman Rathee, the proprietor of AK Auto Industries, who is also our Director and a member of our Promoter Group, towards such acquisition, which became effective on April 1, 2018.

Business purchase agreement dated March 26, 2018 executed by our Company, APK Automotive and Prashant Rathee

Our Company, pursuant to a business purchase agreement dated March 26, 2018 with APK Automotive and Prashant Rathee, acquired the entire business of independent aftermarket sale of two wheeler/three wheeler brake products of APK Automotive, including, the manufacturing facility, ASK-15 and other plant and machinery, inventories, manpower, technology, licenses, permissions, approvals, contracts and agreements, etc., on a slump sale basis. Our Company paid an aggregate consideration of ₹ 888.90 million to Prashant Rathee, the proprietor of APK Automotive, who is also our Director and member of our Promoter Group, towards such acquisition, which became effective on April 1, 2018.

Summary of key agreements and shareholders' agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting arrangements or agreements, deeds of assignment, acquisition agreements, shareholders' agreements, inter-se agreements, any agreements between our Company, our Promoters, and Shareholders, or agreements of like nature or agreements comprising any clauses/covenants which are material to our Company. Further, there are no other clauses/covenants which are adverse or prejudicial to the interest of the minority/public shareholders of our Company.

Guarantees given by our Promoters offering their Equity Shares in the Offer for Sale

Except as disclosed below, no guarantee has been issued by our Promoters offering their Equity Shares in terms of the Offer for Sale:

1. Our Promoter, Kuldip Singh Rathee has executed a deed of guarantee dated November 24, 2020 for ₹ 250 million in favour of Bajaj Finance Limited in respect of facilities availed by members of our Promoter Group, Prashant Rathee and Aman Rathee pursuant to a facility agreement dated November

24, 2020. In addition to the deed of guarantee dated November 24, 2020, the facilities availed by Prashant Rathee and Aman Rathee have been secured against (a) an exclusive charge or pari passu first charge by way of equitable mortgage over immovable property; and (b) hypothecation of lease rentals from the lessee, i.e., our Company. The obligation of Kuldip Singh Rathee under the deed of guarantee is separate and independent from that of Prashant Rathee and Aman Rathee. Bajaj Finance Limited is entitled to invoke the deed of guarantee directly against Kuldip Singh Rathee in accordance with the terms and conditions of the deed of guarantee. The deed of guarantee is continuing and will remain in force till all amounts payable under the facility agreement dated November 24, 2020 have been fully and completely discharged to the satisfaction of Bajaj Finance Limited or unless so relieved of its obligations by Bajaj Finance Limited. No consideration is payable to our Promoter, Kuldip Singh Rathee for acting as guarantor;

2. Our Promoters, Kuldip Singh Rathee and Vijay Rathee have executed deeds of guarantee dated November 24, 2020 and January 19, 2021, respectively, for ₹ 200 million in favour of Bajaj Finance Limited in respect of facilities availed by a member of our Promoter Group, Vijaylaxmi Infrabuild Private Limited pursuant to a facility agreement dated November 24, 2020. In addition to deeds of guarantee dated November 24, 2020 and January 19, 2021, the facilities availed by Vijaylaxmi Infrabuild Private Limited have been secured against an exclusive charge by way of (a) mortgage over immovable property; (b) hypothecation of stock, book debts, current assets and all other receivables. Further, Vijaylaxmi Infrabuild Private Limited is required to maintain a minimum security of over 1.1 times at all times during the tenure of the facility. The obligation of Kuldip Singh Rathee and Vijay Rathee, under the deeds of guarantee is separate and independent from that of Vijaylaxmi Infrabuild Private Limited. Bajaj Finance Limited is entitled to invoke the deeds of guarantee. The deeds of guarantee are continuing and will remain in force till all amounts payable under the facility agreement dated November 24, 2020 have been fully and completely discharged to the satisfaction of Bajaj Finance Limited or unless so relieved of its obligations by Bajaj Finance Limited. No consideration is payable to our Promoters, Kuldip Singh Rathee and Vijay Rathee for acting as guarantors;

3. Our Promoters, Kuldip Singh Rathee and Vijay Rathee have executed deeds of guarantee each dated April 19, 2021 for ₹ 200 million in favour of Bajaj Finance Limited in respect of term loan credit facility availed by a member of our Promoter Group, Vijaylaxmi Infrabuild Private Limited pursuant to a facility agreement dated April 19, 2021. In addition to the two deeds of guarantee each dated April 19, 2021, the facilities availed by Vijaylaxmi Infrabuild Private Limited have been secured against (a) exclusive charge over immovable properties; and (b) first and exclusive charge on entire current assets of Vijaylaxmi Infrabuild Private Limited both present and future. The obligation of Kuldip Singh Rathee and Vijay Rathee, under the deeds of guarantee is separate and independent from that of Vijaylaxmi Infrabuild Private Limited. Bajaj Finance Limited is entitled to invoke the deeds of guarantee directly against Kuldip Singh Rathee and Vijay Rathee in accordance with the terms and conditions of the deeds of guarantee. The deeds of guarantee are continuing and will remain in force till all amounts payable under the facility agreement dated April 19, 2021 have been fully and completely discharged to the satisfaction of Bajaj Finance Limited or unless so relieved of its obligations by Bajaj Finance Limited. No consideration is payable to our Promoters, Kuldip Singh Rathee and Vijay Rathee for acting as guarantors;

4. Our Promoters, Kuldip Singh Rathee and Vijay Rathee along with Prashant Rathee and Aman Rathee have executed a deed of guarantee dated May 4, 2022 for ₹ 50 million in favour of Bajaj Finance Limited in respect of short-term revolving loan/working capital demand loan by a member of our Promoter Group, Vijaylaxmi Infrabuild Private Limited pursuant to a facility agreement dated May 4, 2022. In addition to the deed of guarantee dated May 4, 2022, the facilities availed by Vijaylaxmi Infrabuild Private Limited have been secured against, *inter alia*, immovable properties. The obligation of Kuldip Singh Rathee and Vijay Rathee, under the deed of guarantee is separate and independent from that of Vijaylaxmi Infrabuild Private Limited. Bajaj Finance Limited is entitled to invoke the deed of guarantee directly against Kuldip Singh Rathee and Vijay Rathee in accordance with the terms and conditions of the deed of guarantee. The deed of guarantee is continuing and will remain in force till all amounts payable under the facility agreement dated May 4, 2022 have been fully and completely discharged to the satisfaction of Bajaj Finance Limited or unless so relieved of its obligations by Bajaj Finance Limited. No consideration is payable to our Promoters, Kuldip Singh Rathee and Vijay Rathee for acting as guarantors; and

5. Our Promoter, Kuldip Singh Rathee has agreed to provide personal guarantee in relation to a home loan of ₹ 350.00 million availed by Vijaylaxmi Infra Projects Private Limited from Standard Chartered Bank pursuant to a sanction letter dated October 30, 2021. The home loan availed by Vijaylaxmi Infra Projects Private Limited has been secured against immovable property. In case of default in repayment by Vijaylaxmi Infra Projects Private Limited, Standard Chartered Bank may invoke the guarantee against Kuldip Singh Rathee.

Agreements with Key Managerial Personnel or Senior Management, Director, Promoter or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by a Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Key terms of other subsisting material agreements

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any other subsisting material agreements with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company, except as set out below:

Joint venture agreement dated December 5, 2017 executed by and among our Company, Fras-Le S.A. and ASK Friction Private Limited (name changed to ASK Fras-Le Friction Private Limited)

Our Company, Fras-Le S.A. and ASK Friction Private Limited entered into the joint venture agreement dated December 5, 2017 ("**Joint Venture Agreement**") to record their respective *inter se* rights and obligations in relation to ASK Fras-Le Friction Private Limited. Pursuant to the Joint Venture Agreement, the name of ASK Friction Private Limited was changed to "ASK Fras-Le Friction Private Limited" and a fresh certificate of incorporation dated January 20, 2018 was issued by the RoC. Pursuant to the Joint Venture Agreement, our Company transferred its business (comprising, among other things assets, machinery, utilities, laboratory equipment, dies, contracts, employees, licenses, export liabilities and list of customers required for and in relation to the business) of production and marketing of brake pads and brake linings for commercial vehicles from 3.5 tons and above, but excluding pad back plates for commercial vehicles ("**Joint Venture Products**"), for such customer segments as identified in the Joint Venture Agreement and covering the territories of India, Sri Lanka, Bangladesh and Nepal, to ASK Fras-Le Friction Private Limited. In consideration of such transfer of assets, ASK Fras-Le Friction Private Limited paid an aggregate consideration of ₹ 558.18 million to our Company. As on the date of the Joint Venture Agreement, our Company held 99.99% of the total shareholding of ASK Fras-Le Friction Private Limited and our Promoter, Kuldip Singh Rathee held the remaining 0.01%. Further to the Joint Venture Agreement, Fras-Le S.A. subscribed to 32,385,000 equity shares of ₹ 10 each aggregating to 51.00% of the total shareholding of ASK Friction Private Limited, for an aggregate consideration of ₹323.85 million. Accordingly, our shareholding in ASK Friction Private Limited was reduced to 49.00% of the total shareholding of ASK Fras-Le Friction Private Limited. As on date of this Draft Red Herring Prospectus, our Company holds 49.00% of the total shareholding of ASK Fras-Le Friction Private Limited and Fras-Le S.A. holds 51.00% of the total shareholding of ASK Fras-Le Friction Private Limited. For more details see "***– Joint Venture – ASK Fras-Le Friction Private Limited***" on page 239. The Joint Venture Agreement contains provisions in relation to the functioning of ASK Fras-Le Friction Private Limited, including, among other things, its nature of business, director nomination rights of our Company and Fras-Le S.A., quorum requirements and conduct of board and shareholders' meetings, pre-emptive rights in relation to issuance of new securities, affirmative voting rights, certain transfer restrictions in relation to shares, including lock-in of shareholding of our Company and Fras-Le S.A. in ASK Fras-Le Friction Private Limited, mutual tag along right and right of first refusal in relation to any transfers, and change of control restrictions.

In addition, in accordance with the terms of the Joint Venture Agreement, our Company has entered into the following agreements with ASK Fras-Le Friction Private Limited:

(i) trademark license agreement dated January 25, 2018, pursuant to which our Company has granted a royalty-free and revocable license to ASK Fras-Le Friction Private Limited to use certain trademarks of our Company, including the "ASK" brand, to manufacture, sell, market, export, and service the Joint Venture Products in India, Sri Lanka, Bangladesh and Nepal;

(ii) license agreement dated January 25, 2018, pursuant to which our Company has granted an exclusive license to ASK Fras-Le Friction Private Limited to use certain formulations for commercial vehicle linings and commercial vehicle brake pads (together with related patents, trademarks, copyrights, product licenses and other intellectual property and technical knowledge, technology, engineering data, blueprints, designs, templates, specifications and any other data or know-how in relation thereto), for sale in the independent aftermarket in India, Sri Lanka, Bangladesh and Nepal; and

(iii) lease deed dated February 27, 2018, pursuant to which our Company granted a lease of our manufacturing facility, ASK-9 to ASK Fras-Le Friction Private Limited for nine years with effect from February 1, 2018. Subsequently, our Company entered into a sale deed, dated March 27, 2018, with our Promoter and Director, Vijay Rathee pursuant to which our manufacturing facility, ASK-9 was sold to our Promoter and Director, Vijay Rathee. Our Company pursuant to a letter dated March 31, 2018 clarified to ASK Fras-Le Friction Private Limited that in accordance with the terms of the lease deed dated February 27, 2018, Vijay Rathee stepped in as the lessor and was bound by the terms and conditions of the lease deed as the lessor.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company has no holding company.

Subsidiary

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary, ASK Automobiles Private Limited.

ASK Automobiles Private Limited

Corporate Information

ASK Automobiles Private Limited was incorporated as a private limited company on June 7, 2021, under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the RoC. The registered office of ASK Automobiles Private Limited is at Flat No. 104 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India. Its CIN is U34300DL2021PTC381966. The principal business of ASK Automobiles Private Limited is, *inter alia*, manufacturing, processing, retailing, wholesaling, exporting, importing, and acting as agents or otherwise in respect of all kinds of automobile parts, accessories, assemblies, implements, components and tools.

Capital Structure

The authorized share capital of ASK Automobiles Private Limited is ₹ 10,000,000 divided into 1,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up equity share capital of ASK Automobiles Private Limited is ₹ 7,500,000 divided into 750,000 equity shares of ₹ 10 each. Our Company holds 750,000 equity shares of ₹ 10 each (including one equity share held by our Promoter, Kuldip Singh Rathee as a nominee shareholder) aggregating to 100.00% of the total shareholding of ASK Automobiles Private Limited.

Amount of accumulated profits or losses

There are no accumulated profits or losses of ASK Automobiles Private Limited that have not been accounted for by our Company.

Joint Venture

As on the date of this Draft Red Herring Prospectus, our Company has one Joint Venture, ASK Fras-Le Friction Private Limited.

ASK Fras-Le Friction Private Limited

Corporate Information

ASK Fras-Le Friction Private Limited was incorporated under the name of ASK Friction Private Limited as a private limited company on October 13, 2017, under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the RoC. Pursuant to a joint venture agreement dated December 5, 2017 entered into amongst our Company, Fras-Le S.A. and ASK Friction Private Limited, the name of ASK Friction Private Limited was changed to "ASK Fras-Le Friction Private Limited" and a fresh certificate of incorporation dated January 20, 2018 was issued by the RoC. The registered office of ASK Fras-Le Friction Private Limited is at Flat No. 104 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India. Its CIN is U34300DL2017PTC324954. The principal business of ASK Fras-Le Friction Private Limited is, *inter alia*, manufacturing, distribution, supplying, marketing, export, import and sale of brake pads and brake linings for commercial vehicles.

Capital Structure

The authorized share capital of ASK Fras-Le Friction Private Limited is ₹ 900,000,000 divided into 90,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up equity share capital of ASK Fras-Le Friction Private Limited is ₹ 880,000,000 divided into 88,000,000 equity shares of ₹ 10 each.

Shareholding pattern

Our Company holds 43,120,000 equity shares of ₹ 10 each aggregating to 49.00% of the total shareholding of ASK Fras-Le Friction Private Limited, and Fras-Le S.A holds 44,880,000 equity shares of ₹ 10 each aggregating to 51.00% of the total shareholding of ASK Fras-Le Friction Private Limited.

Confirmations

As on the date of this Draft Red Herring Prospectus, except as disclosed in "***Other Financial Information – Related Party Transactions***" on page 336, our Subsidiary and Joint Venture do not have any: (a) business interest in our Company; or (b) related business transactions with our Company.

As on the date of this Draft Red Herring Prospectus, our Subsidiary and our Joint Venture have common pursuits with our Company and are authorized to engage in business similar to that of our Company. Our Company will adopt the necessary procedure and practices as permitted by law to address any situations of conflict of interest, if and when they arise.

As on the date of this Draft Red Herring Prospectus, our Subsidiary and Joint Venture are not listed.

OUR MANAGEMENT

Under the Articles of Association, our Company is authorized to have a minimum of three Directors and a maximum of 15 Directors. As on the date of this Draft Red Herring Prospectus, we have 10 Directors on our Board comprising four Whole-Time Directors, one Non-Executive Director and five Independent Directors, including one woman Independent Director.

Our Board

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

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Kuldip Singh Rathee *Designation*: Chairman and Managing Director *Address:* Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110 030, Delhi, India *Occupation*: Service *Date of Birth:* August 28, 1954 *Term:* Five years with effect from May 1, 2023, not liable to retire by rotation *Period of Directorship:* Since incorporation *DIN:* 00041032	68	*Indian Companies* • Aadhunik Agrotech Private Limited • Aadhunik Realty Private Limited • ASK Automobiles Private Limited • ASK Fras-Le Friction Private Limited • KSR Landholding Projects Private Limited • KSR Reality Private Limited • KVP Hotels & Resorts Private Limited • L.Y. Developers Private Limited • Som Datt Finance Corporation Limited • Vijaylaxmi Farms Private Limited • Vijaylaxmi Fincap Private Limited • Vijaylaxmi Infra Projects Private Limited • Vijaylaxmi Infrabuild Private Limited *Foreign Companies* Nil
Vijay Rathee *Designation*: Non-Executive Director *Address:* Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110 030, Delhi, India *Occupation*: Service *Date of Birth:* September 14, 1953 *Term:* Five years with effect from May 1, 2023, liable to retire by rotation *Period of Directorship:* Since October 26, 1995 *DIN:* 00042731	69	*Indian Companies* • Aadhunik Agrotech Private Limited • KSR Landholding Projects Private Limited • L.Y. Developers Private Limited • Som Datt Finance Corporation Limited • Vijaylaxmi Farms Private Limited • Vijaylaxmi Fincap Private Limited • Vijaylaxmi Infra Projects Private Limited • Vijaylaxmi Infrabuild Private Limited *Foreign Companies* Nil
Prashant Rathee *Designation*: Whole-Time Director *Address:* Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110 030, Delhi, India *Occupation*: Business *Date of Birth:* June 22, 1980 *Term:* Five years with effect from May 1, 2023, liable to retire by rotation	42	*Indian Companies* • A A Friction Materials Private Limited • Aadhunik Realty Private Limited • A.P. Automotives Private Limited • ASK Automobiles Private Limited • Fresh Air Farms Private Limited • KSR Landholding Projects Private Limited • KVP Hotels & Resorts Private Limited • L.Y. Developers Private Limited • Planet Agro Farms Private Limited *Foreign Companies*

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Period of Directorship: Since April 27, 2018 *DIN:* 00041081		Nil
Aman Rathee *Designation*: Whole-Time Director *Address:* Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110 030, Delhi, India *Occupation*: Business *Date of Birth:* October 12, 1982 *Term:* Five years with effect from May 1, 2023, liable to retire by rotation *Period of Directorship:* Since April 27, 2018 *DIN:* 00041130	40	*Indian Companies* • A A Friction Materials Private Limited • Aadhunik Realty Private Limited • ASK Automobiles Private Limited • ASK Fras-Le Friction Private Limited • Fresh Air Farms Private Limited • KSR Landholding Projects Private Limited • KSR Reality Private Limited • KVP Hotels & Resorts Private Limited • L.Y. Developers Private Limited • Planet Agro Farms Private Limited *Foreign Companies* Nil
Rajesh Kataria *Designation*: Whole-Time Director *Address:* Flat No. 3B, First Floor, SS Almeria, Sector 84, Naharpur Kasan (111), Gurugram 122 004, Haryana, India *Occupation*: Service *Date of Birth:* August 1, 1981 *Term:* Five years with effect from May 1, 2023, liable to retire by rotation *Period of Directorship:* Since September 7, 2019 *DIN:* 08528643	41	*Indian Companies* • A A Friction Materials Private Limited • ASK Automobiles Private Limited *Foreign Companies* Nil
Arun Duggal *Designation*: Independent Director *Address:* CM-821B, The Camellias, DLF Golf Links, Gurugram 122 009, Haryana, India *Occupation*: Service *Date of Birth:* October 1, 1946 *Term:* Three years with effect from May 1, 2023 *Period of Directorship:* Since May 1, 2023 *DIN:* 00024262	76	*Indian Companies* • Davenport Management Consultants Services Private Limited • Dr. Lal Pathlabs Limited • ICRA Limited • ITC Limited *Foreign Companies* Nil
Kumaresh Chandra Misra *Designation*: Independent Director *Address:* D-78, 2nd Floor, Panchsheel Enclave, South Delhi, Malviya Nagar, New Delhi 110 017, Delhi, India	68	*Indian Companies* Nil *Foreign Companies* Nil

Name, designation, address, occupation, date of birth, term, period of directorship and DIN	Age (in years)	Directorships in other companies
Occupation: Service *Date of Birth:* June 18, 1954 *Term:* Three years with effect from April 1, 2023 *Period of Directorship:* Since April 1, 2023 *DIN:* 00388546		
Deepti Sehgal *Designation*: Independent Director *Address:* A-14/2, Vasant Vihar, South West Delhi, New Delhi 110 057, Delhi, India *Occupation*: Service *Date of Birth:* January 7, 1965 *Term:* Three years with effect from April 1, 2023 *Period of Directorship:* Since April 1, 2023 *DIN:* 09772630	58	*Indian Companies* Nil *Foreign Companies* Nil
Yogesh Kapur *Designation*: Independent Director *Address:* D 1063, New Friends Colony, South Delhi, New Delhi 110 025, Delhi, India *Occupation*: Professional *Date of Birth:* July 23, 1957 *Term:* Three years with effect from May 1, 2023 *Period of Directorship:* Since May 1, 2023 *DIN:* 00070038	65	*Indian Companies* • Arka Fincap Limited • Arka Financial Holdings Private Limited • Greenlam Industries Limited • HDFC Education and Development Services Private Limited • Kirloskar Oil Engines Limited • SSIPL Retail Limited *Foreign Companies* Nil
Vinay Kumar Piparsania *Designation*: Independent Director *Address:* PV29, The Palm Springs, Golf Course Road, Sector 54, Gurugram 122 002, Haryana, India *Occupation*: Service *Date of Birth:* May 22, 1961 *Term:* Three years with effect from May 1, 2023 *Period of Directorship:* Since May 1, 2023 *DIN:* 07721040	62	*Indian Companies* Nil *Foreign Companies* Nil

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, supplier or others.

Brief profiles of our Directors

Kuldip Singh Rathee is the Chairman and Managing Director on our Board. He is also one of the Promoters and a founder of our Company. He holds a bachelor's degree in arts (economics honours) from University of Delhi, New Delhi, Delhi. He has previously served in the Central Reserve Police Force where he was directly recruited for the post of deputy superintendent of police in 1974 and served till 1978. He has also previously been enlisted as a contractor in Class I (B&R) with the Directorate General of Works, Central Public Works Department, Government of India. He has experience in the real estate sector and in the manufacturing sector.

Vijay Rathee is a Non-Executive Director on our Board and is one of the Promoters of our Company. She holds a bachelor's degree in science from Guru Nanak University, Amritsar, Punjab and a master's degree in science (Zoology) from Birendra Narayan Chakravarty University, Kurukshetra, Haryana. She has experience in the banking sector and the manufacturing sector. She was previously associated as an officer with Punjab & Sind Bank.

Prashant Rathee is a Whole-Time Director on our Board. He holds a bachelor's degree in commerce from University of Delhi, New Delhi, Delhi. He was previously a director on the board of A.A. Autotech Private Limited from 2008 till it merged with our Company, where he gained experience in the manufacturing sector. He is currently responsible for the operations vertical of the Company.

Aman Rathee is a Whole-Time Director on our Board. He holds a bachelor's degree in science (engineering) and a master's degree in business administration from Purdue University, Hammond, Indiana (USA) and holds a certification in mergers and acquisitions from Harvard Business School, Boston, Massachusetts (USA). He was previously a director on the board of A.A. Autotech Private Limited from 2012 till it merged with our Company, where he gained experience in the manufacturing sector. He is currently leading the research and development and marketing verticals of the Company.

Rajesh Kataria is a Whole-Time Director on our Board. He holds a bachelor's degree in business administration from Chaudhary Charan Singh University Meerut, Uttar Pradesh and has also completed a master's course in business administration (human resources) from the Eastern Institute for Integrated Learning in Management University, Jorethang, Sikkim. He has experience in human resource management. He is currently responsible for human resource management of our Company.

Arun Duggal is an Independent Director on our Board. He holds a bachelor's degree in technology (mechanical engineering) from Indian Institute of Technology, Delhi and a postgraduate diploma in business administration from Indian Institute of Management, Ahmedabad, Gujarat. He has an experience in the banking sector. He was previously associated with Bank of America for 26 years in Philippines, USA, Hong Kong, Tokyo and retired as country chief executive India and is currently the chairman of the board of directors of ICRA Limited and on the board of directors of ITC Limited and Dr. Lal Pathlabs Limited, among others.

Kumaresh Chandra Misra is an Independent Director on our Board. He holds a bachelor's degree in arts from University of Delhi, New Delhi, Delhi a bachelor's degree in law from Chaudhary Charan Singh University, Meerut, Uttar Pradesh a postgraduate diploma in business administration from Indian Institute of Management, Ahmedabad, Gujarat and a master's degree in arts (political economy) from Boston University, Boston, Massachusetts (USA). He is a retired Indian Administrative Services officer and was previously associated with the Ministry of Chemicals and Fertilizers, Government of India as joint secretary, Department of Energy, Government of Bihar as secretary and is currently the director of the northern region at Indian Chemical Council.

Deepti Sehgal is an Independent Director in our Company. She holds a bachelor's degree in commerce from the University of Delhi, New Delhi, Delhi, and a postgraduate diploma in business administration from Indian Institute of Management, Ahmedabad, Gujarat. She has experience in the consultancy sector. She was previously associated with Infogain Corporation and Infogain India Private Limited as a vice president, Deloitte Touche Tohmatsu India LLP as a director in the consulting department, GE Capital International Services as an assistant vice president and IBM India Private Limited as an industry consultant.

Yogesh Kapur is an Independent Director in our Company. He holds a bachelor's degree in commerce (honours) from University of Delhi, New Delhi, Delhi and is a fellow of the Institute of Chartered Accountants of India. He has experience in investment banking and was previously associated with Axis Capital Limited and was also the managing director at Enam Securities Private Limited. Further, prior to his experience in the investment banking sector, he was associated with Housing Development Finance Corporation Limited for 8 years from 1983 to 1991.

Vinay Kumar Piparsania is an Independent Director in our Company. He holds a bachelor's degree in technology (mechanical engineering) from Indian Institute of Technology, Delhi and a master's degree in business administration from Tulane University, New Orleans, Louisiana (USA) and has completed an executive program in "Building a Global Enterprise – India" from Harvard Business School, Boston, Massachusetts (USA). He has experience in the automotive sector. He was previously associated with Ford Motor Private Limited, Ford India Private Limited, BMW Oman (Al Janeibi International Automobiles LLC), Hero Corporate Service Limited, TVS Automobile Solutions Private Limited as president and IIT Delhi Endowment Management Foundation as the chief executive officer, and is currently the principal at MillenStrat Advisory & Research.

Relationship between Directors, Key Managerial Personnel and Senior Management

Except as stated below, none of our Directors, Key Managerial Personnel and Senior Management are related to each other.

Director/Key Managerial Personnel/ Senior Management	Relative	Nature of Relationship
Kuldip Singh Rathee *Chairman and Managing Director and KMP*	Vijay Rathee Prashant Rathee Aman Rathee	Wife Son Son
Vijay Rathee *Non-Executive Director*	Kuldip Singh Rathee Prashant Rathee Aman Rathee	Husband Son Son
Prashant Rathee *Whole-Time Director and KMP*	Kuldip Singh Rathee Vijay Rathee Aman Rathee	Father Mother Brother
Aman Rathee *Whole-Time Director and KMP*	Kuldip Singh Rathee Vijay Rathee Prashant Rathee	Father Mother Brother

Terms of Appointment of our Directors

Appointment details of our Chairman and Managing Director

Kuldip Singh Rathee

Pursuant to the resolutions passed by our Board on April 29, 2023 and by our Shareholders on May 8, 2023, Kuldip Singh Rathee is entitled to the following remuneration and other employee benefits:

Basic salary	₹ 2.90 million per month
Housing	(a) Company owned accommodation or in case the Company cannot provide its own accommodation, expenditure on hiring unfurnished accommodation, subject to the celling of an amount equivalent to house rent allowance, as provided below or in case no accommodation is provided by the Company, house rent allowance of ₹ 1.24 million per month (b) Provision of furniture, fittings and equipment at the residence, to be valued as per the Income-tax Rules, 1962, as amended, and subject to a ceiling of 40% of basic salary (c) Provision of gas, electricity, water and furnishings for the residence, to be valued as per the Income Tax Rules, 1962, as amended, and subject to a ceiling of 40% of basic salary

Medical reimbursement	Expenses incurred for self and family, the total cost of which to our Company shall not exceed one month's basic pay in a period of one year or three months' basic pay over a period of three years. In addition, actual expenses incurred on hospitalisation for self and family shall also be paid for separately
Medical insurance	Medical insurance for self and family subject to a ceiling of annual premium of ₹ 0.3 million
Personal accident insurance	Personal accident insurance for self and family subject to a ceiling of annual premium ₹ 0.05 million
Leave travel	For self and family subject to a ceiling of one month's basic pay in a Financial Year
Club fees	Fees for clubs including admission, renewal, life membership fee subject to a maximum of two clubs
Gratuity	As per the provisions of Payment of Gratuity Act, 1972, as amended
Car	(a) Free use of car with driver for business and personal purposes (b) In the event of his using own car for official purposes, reimbursement of expenses incurred thereon
Telephone	Free telephone facility at residence, and provision of free mobile phone with all expenses thereof
Leave	Earned or privilege leave – On full pay and allowances at one month's leave for every 11 months of service, with the facility of encashment of accumulated leave on completion of tenure or cessation of service Casual and sick leave(s) – As per the rules or policy of our Company
Reimbursement of business expenses	Our Company will reimburse all expenses incurred on entertainment travelling, etc., for the purposes of the business of our Company
Variable performance pay	At 2.40% of profit (before tax and variable performance pay of all Directors and employees) for each year, (percentage limit) subject to an upper limit of ₹ 20.00 million per annum (monetary limit) Provided that the Board may decide to pay the proportionate variable performance pay, on quarterly basis, on the basis of provisional quarterly unaudited results, subject to a limit of 75% of variable performance pay arrives as per above given formula or 75% of the monetary limit (as described above), on cumulative basis up to the quarter, whichever is lower, and subject to the aggregate of such payments not exceeding the percentage limit and monetary limit, as stated hereinabove

In Fiscal 2023, Kuldip Singh Rathee received director's remuneration of ₹ 69.73 million.

Appointment details of our Whole-Time Directors

Prashant Rathee

Pursuant to the resolution passed by our Board on April 29, 2023 and by our Shareholders on May 8, 2023, Prashant Rathee is entitled to the following remuneration and other employee benefits:

Basic salary	₹ 1.07 million per month
Housing	(a) Company owned accommodation or in case our Company cannot provide its own accommodation, expenditure on hiring unfurnished accommodation, subject to the celling of an amount equivalent to house rent allowance, as provided below. or in case no accommodation is provided by our Company, house rent allowance of ₹ 0.46 million per month (b) Provision of furniture, fittings and equipment at the residence, to be valued as per the Income-tax Rules, 1962, as amended, and subject to a ceiling of 40% of the basic pay (c) Provision of gas, electricity, water and furnishings for the residence, to be valued as per the Income Tax Rules, 1962, as amended, and subject to a ceiling of 40% of the basic pay
Medical reimbursement	Expenses incurred for self and family, the total cost of which to our Company shall not exceed one month's basic pay in a period of one year or three month's basic pay over a period of three

	years. In addition, actual expenses incurred on hospitalisation for self and family shall also be paid for separately
Medical insurance	Medical insurance for self and family subject to a ceiling of annual premium of ₹ 0.3 million
Personal accident insurance	Personal accident insurance for self and family subject to a ceiling of annual premium ₹ 0.05 million
Leave travel	For self and family subject to a ceiling of one month's basic pay in a Financial Year
Club fees	Fees for clubs including admission, renewal, life membership fee subject to a maximum of two clubs
Gratuity	As per the provisions of Payment of Gratuity Act, 1972, as amended
Car	(a) Free use of car with driver for business and personal purposes (b) In the event of his using own car for official purposes, reimbursement of expenses incurred thereon
Telephone	Free telephone facility at residence, and provision of free mobile phone with all expenses thereof
Leave	Earned or privilege leave – On full pay and allowances at one month's leave for every 11 months of service, with the facility of encashment of accumulated leave on completion of tenure or cessation of service Casual and sick leave(s) – as per the rules or policy of our Company
Reimbursement of business expenses	Our Company will reimburse all expenses incurred on entertainment travelling, etc., for the purposes of the business of the Company
Variable performance pay	At 1.05% of profit (before tax and variable performance pay of all Directors and employees) for each year, (percentage limit) subject to an upper limit of ₹ 5.00 million per annum (monetary limit) Provided that the Board may decide to pay the proportionate variable performance pay, on quarterly basis, on the basis of provisional quarterly unaudited results, subject to a limit of 75% of variable performance pay arrives as per above given formula or 75% of the monetary limit (as described above), on cumulative basis up to the quarter, whichever is lower, and subject to the aggregate of such payments not exceeding the percentage limit and monetary limit, as stated hereinabove

In Fiscal 2023, Prashant Rathee received director's remuneration of ₹ 23.36 million.

Aman Rathee

Pursuant to the resolution passed by our Board April 29, 2023 and by our Shareholders on May 8, 2023, Aman Rathee is entitled to the following remuneration and other employee benefits:

Basic salary	₹ 1.07 million per month
Housing	(d) Company owned accommodation or in case our Company cannot provide its own accommodation, expenditure on hiring unfurnished accommodation, subject to the celling of an amount equivalent to house rent allowance, as provided below. or in case no accommodation is provided by our Company, house rent allowance of ₹ 0.46 million per month (e) Provision of furniture, fittings and equipment at the residence, to be valued as per the Income-tax Rules, 1962, as amended, and subject to a ceiling of 40% of the basic salary (f) Provision of gas, electricity, water and furnishings for the residence, to be valued as per the Income-tax Rules 1962, as amended, and subject to a ceiling of 40% of the basic salary
Medical reimbursement	Expenses incurred for self and family, the total cost of which to the Company shall not exceed one months basic pay in a period of one year or three month's basic pay over a period of three years. In addition, actual expenses incurred on hospitalisation for self and family shall also be paid for separately
Medical insurance	Medical insurance for self and family subject to a ceiling of annual premium of ₹ 0.3 million
Personal accident insurance	Personal accident insurance for self and family subject to a ceiling of annual premium ₹ 0.05 million

Leave travel	For self and family subject to a ceiling of one month's basic pay in a Financial Year
Club fees	Fees for clubs including admission, renewal, life membership fee subject to a maximum of two clubs
Gratuity	As per the provisions of Payment of Gratuity Act, 1972, as amended
Car	(c) Free use of car with driver for business and personal purposes (d) In the event of his using own car for official purposes, reimbursement of expenses incurred thereon
Telephone	Free telephone facility at residence, and provision of free mobile phone with all expenses thereof
Leave	Earned or privilege leave – On full pay and allowances at one month's leave for every 11 months of service, with the facility of encashment of accumulated leave on completion of tenure or cessation of service Casual and sick leave(s) – As per the rules or policy of the Company
Reimbursement of business expenses	The Company will reimburse all expenses incurred on entertainment travelling, etc., for the purposes of the business of our Company
Variable performance pay	At 1.05% of profit (before tax and variable performance pay of all Directors and employees) for each year, (percentage limit) subject to an upper limit of ₹ 5.00 million per annum (monetary limit) Provided that the Board may decide to pay the proportionate variable performance pay, on quarterly basis, on the basis of provisional quarterly unaudited results, subject to a limit of 75% of variable performance pay arrives as per above given formula or 75% of the monetary limit (as described above), on cumulative basis up to the quarter, whichever is lower, and subject to the aggregate of such payments not exceeding the percentage limit and monetary limit, as stated hereinabove

In Fiscal 2023, Aman Rathee received director's remuneration of ₹ 23.36 million.

Rajesh Kataria

Pursuant to the resolutions passed by our Board on April 29, 2023 and by our Shareholders on May 8, 2023, Rajesh Kataria is entitled to the following remuneration and other employee benefits:

Basic salary	₹ 0.19 million per month
Housing rent allowance	₹ 0.06 million per month
Child education allowance	₹ 200 per month
Special allowance	₹ 0.06 million per month
Conveyance	One chauffeur driven car for personal and official purposes with a limit of ₹ 0.01 million per month for driver and ₹ 0.02 million per month for car running and maintenance
Bonus	₹ 1,096 per month
Phone expenses	Full reimbursement on actual bill
Leave	Earned leave as per the policy of our Company Leaves (sick leaves/casual leaves) as per Company policy
Gratuity	As per the provisions of the Payment of Gratuity Act, 1972
Reimbursement of business expenses	Reimbursement of actual conveyance, reasonable travel, entertainment expenses incurred for the purpose of the business of our Company
Mediclaim and accidental coverage as per company norms	As per Company policy

In Fiscal 2023, Rajesh Kataria received director's remuneration of ₹ 3.34 million.

Sitting Fees and Commission to our Non-Executive Director (including our Independent Directors)

As on the date of this Draft Red Herring Prospectus, pursuant to a resolution passed by our Board on March 28, 2023, our Non-Executive Directors (including our Independent Directors) are each entitled to receive a sitting fee of ₹ 0.05 million for each meeting of our Board and ₹ 25,000 for each meeting of the committees constituted by the Board. Further, pursuant to a resolution passed by our Board on March 28, 2023 and our Shareholders on April 5, 2023, our Non-Executive Directors are each entitled to receive a commission of up to a maximum of ₹ 1.00 million per annum, subject to overall limit of 1% of the net profits of the Company per annum.

None of our Independent Directors were paid any sitting fees or commission in Fiscal 2023, since they were appointed in Fiscal 2024.

Vijay Rathee, our Non-Executive Director did not receive any sitting fees or commission in Fiscal 2023.

Contingent and deferred compensation payable to Directors

No contingent or deferred compensation is payable to any of our Directors for Financial Year 2023.

Remuneration paid or payable to our Directors from our Subsidiary or associate company

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from our Subsidiary for Financial Year 2023.

As on the date of the Draft Red Herring Prospectus, our Company has no associate company.

Bonus or profit-sharing plan for our Directors

Except as stated in "– ***Terms of Appointment of our Directors***" on page 245, our Company does not have any bonus or profit-sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares in our Company:

S. No.	Name of the Director	Number of Equity Shares	Percentage of pre-Offer equity share capital (in %)
1.	Kuldip Singh Rathee	81,488,400	41.33
2.	Vijay Rathee	63,676,200	32.30
3.	Prashant Rathee	28,187,999	14.30
4.	Aman Rathee	23,789,998	12.07
	Total	**197,142,597**	**100.00***

**Does not include shareholding of Sarla Chahal, Kanika Rathee and Vijeta Rathee, of one Equity Share each, which in aggregate constitute a negligible percentage of our shareholding.*

Service contracts with Directors

Except as stated in "– ***Terms of Appointment of our Directors***" on page 245, there are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Interest of Directors

Our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them as well as sitting fees, if any, payable to them for attending meetings of our Board or committees thereof, and any commission payable to them. Our Directors are also interested in our Company to the extent that: (i) either they, or any of their relatives, hold any direct or indirect shareholding or other securities in our Company, and any dividends or any other distributions payable in respect thereof; (ii) any directorships that they may hold in our Company or our Subsidiary or Joint Venture, and to the extent of any remuneration payable to them in this regard. For details of the Directors' shareholding in our Company, see "***Capital Structure - Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company***" on page 100.

Certain of our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any entity which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business, including for purchase/sale of goods and/or services. For further details, please see "***Other Financial Information – Related Party Transactions***" on page 336.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Interest in land and property, acquisition of land, construction of building or supply of machinery, etc.

None of our Directors are interested in any property acquired by our Company in the preceding three years, or proposed to be acquired by it, except as stated in "***Other Financial Information – Related Party Transactions***" on page 336 and as disclosed below:

- Our Registered Office is owned by our Director and member of our Promoter Group, Prashant Rathee and has been provided to us for usage pursuant to the agreement dated November 1, 2022.
- Our manufacturing unit, ASK-16, situated at Plot No. 157-158, Sector-5 IMT Manesar, Gurugram 122050, Haryana has been leased to us by our Directors and members of our Promoter Group, Prashant Rathee and Aman Rathee.
- Our manufacturing unit, ASK-2, situated at 30-31, Village Nawada, Fatehpur, Gurugram 122 050, Haryana, India has been leased to us by one of the members of our Promoter Group, A.P. Automotives Private Limited, where our Directors and members of our Promoter Group, Prashant Rathee and Aman Rathee are also directors.

None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc., except as stated in "***Other Financial Information – Related Party Transactions***" on page 336.

Interest in promotion of our Company

None of our Directors, except Kuldip Singh Rathee and Vijay Rathee as Promoters of our Company have an interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus.

Business interest

Except as stated in "***Other Financial Information – Related Party Transactions***" on page 336 and otherwise disclosed in this section, our Directors do not have any other business interest in our Company.

Confirmations

Except as disclosed below, none of our Directors are, or for the five years prior to the date of this Draft Red Herring Prospectus, have been on the board of directors of any listed company whose shares have been/were suspended from being traded on any stock exchange, during their tenure as a director in such company.

Particulars	Details
Kuldip Singh Rathee	
Name of the company	Som Datt Finance Corporation Limited
Name of the stock exchange(s) on which the company was listed	The Calcutta Stock Exchange Limited
Date of suspension on stock exchanges	March 21, 2014
If trading suspended for more than three months, reason for suspension and period of suspension	Period of suspension: March 21, 2014 to August 18, 2021 Reason for suspension: Non-compliance with the listing agreement
If the suspension of trading was revoked, the date of revocation of suspension	August 18, 2021
Term of directorship (along with relevant dates) in the above company	December 27, 2019 to date
Vijay Rathee	
Name of the company	Som Datt Finance Corporation Limited
Name of the stock exchange(s) on which the company was listed	The Calcutta Stock Exchange Limited
Date of suspension on stock exchanges	March 21, 2014
If trading suspended for more than three months, reason for suspension and period of suspension	Period of suspension: March 21, 2014 to August 18, 2021 Reason for suspension: Non-compliance with the listing agreement

Particulars	Details
If the suspension of trading was revoked, the date of revocation of suspension	August 18, 2021
Term of directorship (along with relevant dates) in the above company	December 27, 2019 to date

Except as disclosed below, none of our Directors has been or is a director on the board of directors of any listed company that has been delisted from any stock exchange, during their tenure as a director in such company.

Particulars	Details			
Kuldip Singh Rathee				
Name of the company	Som Datt Finance Corporation Limited			
Name of the stock exchange(s) on which the company was listed	The Calcutta Stock Exchange Limited	Delhi Stock Exchange Limited	Jaipur Stock Exchange Limited	Madras Stock Exchange Limited
Date of delisting on stock exchanges	December 20, 2021	March 24, 2007	March 21, 2007	March 7, 2007
Whether delisting was compulsory or voluntary	Voluntary			
Reasons for delisting	Voluntary delisting pursuant to SEBI (Delisting of Securities) Guidelines, 2003 as no trading of shares on Delhi Stock Exchange Limited, The Calcutta Stock Exchange Limited, Madras Stock Exchange Limited and Jaipur Stock Exchange Limited			
Whether company has been relisted	No			
Date of relisting	NA			
Term of directorship (along with relevant dates) in the above company	Appointed on December 27, 2019			
Exit opportunity provided to the shareholders by the promoters of the company	NA*			
Vijay Rathee				
Name of the company	Som Datt Finance Corporation Limited			
Name of the stock exchange(s) on which the company was listed	The Calcutta Stock Exchange Limited	Delhi Stock Exchange Limited	Jaipur Stock Exchange Limited	Madras Stock Exchange Limited
Date of delisting on stock exchanges	December 20, 2021	March 24, 2007	March 21, 2007	March 7, 2007
Whether delisting was compulsory or voluntary	Voluntary			
Reasons for delisting	Voluntary delisting pursuant to SEBI (Delisting of Securities) Guidelines, 2003 as no trading of shares on Delhi Stock Exchange Limited, The Calcutta Stock Exchange Limited, Madras Stock Exchange Limited and Jaipur Stock Exchange Limited			
Whether company has been relisted	No			
Date of relisting	NA			
Term of directorship (along with relevant dates) in the above company	Appointed on December 27, 2019			
Exit opportunity provided to the shareholders by the promoters of the company	NA*			

* *Pursuant to Clause 5.1 of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and Regulation 5 of Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, the promoters of Som Datt Finance Corporation Limited were not required to provide an exit opportunity to the shareholders, as Som Datt Finance Corporation continued to be listed on BSE Limited, a recognised stock exchange which has nationwide trading terminals.*

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Name of Director	Date of Change	Reasons
Arun Duggal	May 1, 2023	Appointment as (Additional) Independent Director*
Yogesh Kapur	May 1, 2023	Appointment as (Additional) Independent Director*
Vinay Kumar Piparsania	May 1, 2023	Appointment as (Additional) Independent Director*
Kumaresh Chandra Misra	April 1, 2023	Appointment as (Additional) Independent Director**
Deepti Sehgal	April 1, 2023	Appointment as (Additional) Independent Director**
Rajesh Kataria	October 1, 2021	Change in designation to Whole-Time Director

* *Regularized as an Independent Director pursuant to resolutions passed in the extra-ordinary general meeting dated May 8, 2023.*
** *Regularized as an Independent Director pursuant to resolutions passed in the extra-ordinary general meeting dated April 5, 2023.*

Borrowing Powers

Pursuant to our Articles of Association, a resolution of our Board dated March 28, 2023 and a resolution adopted by our Shareholders on April 5, 2023, our Board may borrow money for and on behalf of our Company, from time to time as deemed by it to be requisite and proper, such that the moneys to be borrowed together with the moneys already borrowed by our Company (apart from the temporary loans obtained from the bankers of our Company in the ordinary course of business) at any time may do not exceed ₹ 10,000 million, irrespective of the fact that such aggregate amount of borrowings outstanding at any time may exceed the aggregate for the time being of the paid-up capital of our Company and its free reserves.

Corporate Governance

As on the date of this Draft Red Herring Prospectus, there are 10 Directors on our Board comprising four Whole-Time Directors, one Non-Executive Director and five Independent Directors, including one woman Independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof, as required under law.

Our Company undertakes to take all necessary steps to continue to comply with all applicable requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Board Committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act, 2013:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Risk Management Committee; and
5. CSR Committee.

Audit Committee

The Audit Committee was constituted by our Board at its meeting held on April 29, 2023. The composition and terms of the Audit Committee are in compliance with Section 177 and other applicable provisions of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises:

S. No.	Director	Designation
1.	Arun Duggal, *Independent Director*	Chairperson
2.	Yogesh Kapur, *Independent Director*	Member
3.	Vinay Kumar Piparsania, *Independent Director*	Member
4.	Deepti Sehgal, *Independent Director*	Member
5.	Aman Rathee, *Whole-Time Director*	Member

Scope and terms of reference:

The Audit Committee shall be responsible for, among other things, as may be required by the Stock Exchange(s) from time to time, the following:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

1. to investigate any activity within its terms of reference;
2. to seek information from any employee;
3. to obtain outside legal or other professional advice; and

4. to secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee shall include the following:

1. oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

2. recommendation to the Board for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a. matters required to be included in the director’s responsibility statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. compliance with listing and other legal requirements relating to financial statements;
    f. disclosure of any related party transactions; and
    g. modified opinion(s) in the draft audit report.

5. reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

6. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;

8. approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed ;

    Explanation: *The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.*

9. scrutiny of inter-corporate loans and investments;

10. valuation of undertakings or assets of the Company, wherever it is necessary;

11. evaluation of internal financial controls and risk management systems;

12. reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. discussion with internal auditors of any significant findings and follow-up thereon;

15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. reviewing the functioning of the whistle blower mechanism;

19. monitoring the end use of funds through public offers and related matters;

20. overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

21. approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

22. reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision; and

23. considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

24. approving the key performance indicators for disclosure in the offer documents; and

25. carrying out any other functions required to be carried out by the Audit Committee as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor; and
- Statement of deviations in terms of the SEBI Listing Regulations:
    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
    b. annual statement of funds utilized for purposes other than those stated in the Offer document/prospectus/notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board at its meeting held on April 29, 2023. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act, 2013 and

Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises:

S. No.	Director	Designation
1.	Kumaresh Chandra Misra, *Independent Director*	Chairperson
2.	Arun Duggal, *Independent Director*	Member
3.	Yogesh Kapur, *Independent Director*	Member

Scope and terms of reference:

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

2. For appointment of an independent directors, evaluation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparation of a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:

   a. use the services of an external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates.

3. Formulation of criteria for evaluation of independent directors and the Board;

4. Devising a policy on Board diversity;

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent director);

6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. Recommend to the board, all remuneration, in whatever form, payable to senior management;

8. The Nomination and Remuneration Committee, while formulating the remuneration policy, should ensure that –

   a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company and its goals.

9. perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:

   a. administering the employee stock option plans of our Company, as may be required;
   b. determining the eligibility of employees to participate under the employee stock option plans of our Company;
   c. granting options to eligible employees and determining the date of grant;
   d. determining the number of options to be granted to an employee;
   e. determining the exercise price under the employee stock option plans of our Company; and

f. construing and interpreting the employee stock option plans of our Company and any agreements defining the rights and obligations of our Company and eligible employees under the employee stock option plans of our Company, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the employee stock option plans of our Company.

10. frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable.

11. carrying out any other activities as may be delegated by the Board and other functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by our Board at its meeting held on April 29, 2023. The composition and terms of reference of the Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently comprises:

S. No.	Director	Designation
1.	Kumaresh Chandra Misra, *Independent Director*	Chairperson
2.	Arun Duggal, *Independent Director*	Member
3.	Prashant Rathee, *Whole-Time Director*	Member
4.	Aman Rathee, *Whole-Time Director*	Member

Scope and terms of reference:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

1. considering and looking into various aspects of interest of shareholders, debenture holders and other security holders

2. resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

3. formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

4. giving effect to allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;

5. issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

6. review of measures taken for effective exercise of voting rights by shareholders;

7. review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar & share transfer agent;

8. to dematerialize or rematerialize the issued shares;

9. review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company; and

10. carrying out any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Risk Management Committee

The Risk Management Committee was constituted pursuant to a resolution passed by our Board at its meeting held on April 29, 2023. The composition and terms of reference of the Risk Management Committee is in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises:

S. No.	Director	Designation
1.	Yogesh Kapur, *Independent Director*	Chairperson
2.	Vinay Kumar Piparsania, *Independent Director*	Member
3.	Kumaresh Chandra Misra, *Independent Director*	Member
4.	Prashant Rathee, *Whole-Time Director*	Member
5.	Aman Rathee, *Whole-Time Director*	Member

Scope and terms of reference:

The role and responsibility of the Risk Management Committee shall be as follows:

1. Formulation of a detailed risk management policy which shall include: (a) a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee; (b) measures for risk mitigation including systems and processes for internal control of identified risks; and (c) business continuity plan;

2. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of our Company;

3. Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;

5. Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

6. Review the appointment, removal and terms of remuneration of the chief risk officer (if any);

7. To implement and monitor policies and/or processes for ensuring cyber security; and

8. Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing Regulations.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was re-constituted pursuant to a resolution passed by our Board at its meeting held on March 28, 2023. The composition and terms of reference of the Corporate Social Responsibility Committee are in compliance with Section 135 and other applicable provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

S. No.	Director	Designation
1.	Deepti Sehgal, *Independent Director*	Chairperson
2.	Kumaresh Chandra Misra, *Independent Director*	Member
3.	Vijay Rathee, *Non-Executive Director*	Member

S. No.	Director	Designation
4.	Rajesh Kataria, *Whole-Time Director*	Member

Scope and terms of reference:

The Corporate Social Responsibility Committee shall be authorized to perform the following functions:

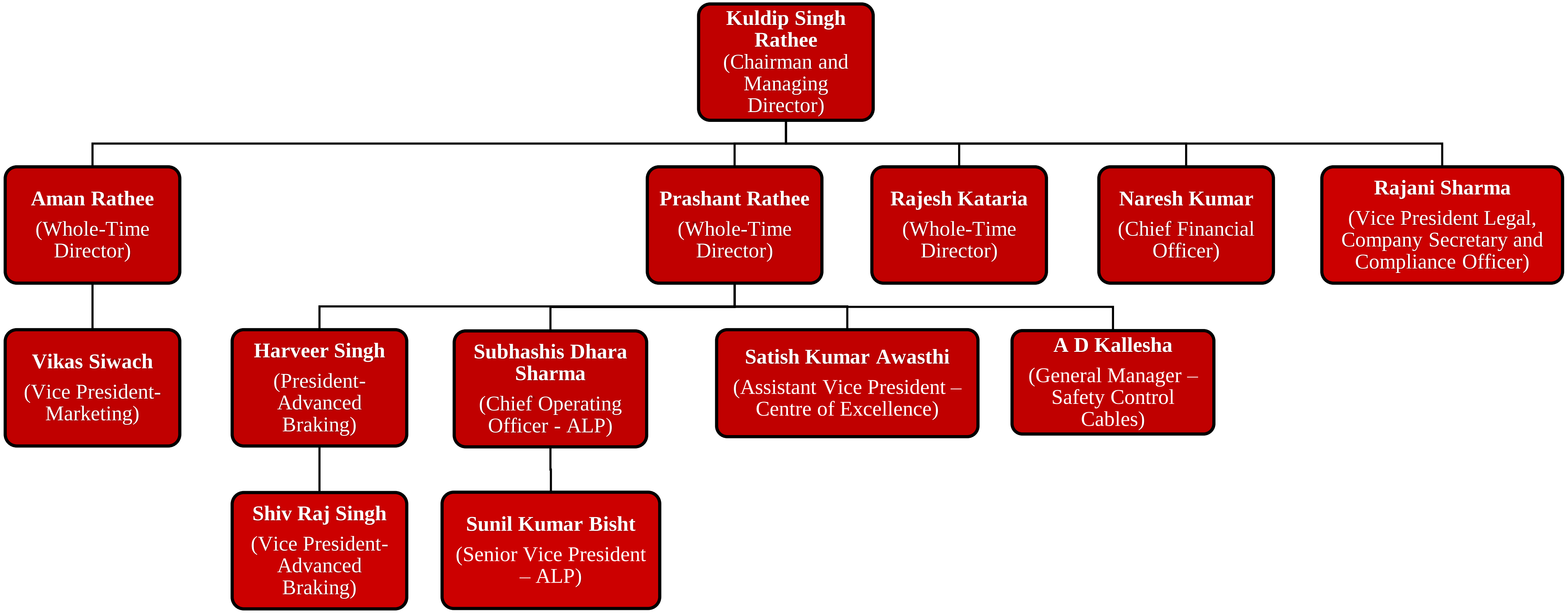
1. formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act;

2. review and recommend the amount of expenditure to be incurred on the activities to be undertaken by our Company;

3. monitor the corporate social responsibility policy of our Company from time to time; and

4. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

Management Organisation Chart



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to the Whole-Time Directors of our Company, Prashant Rathee, Aman Rathee and Rajesh Kataria, and Chairman and Managing Director of our Company, Kuldip Singh Rathee, whose details are disclosed under "– ***Brief profiles of our Directors***" and "- ***Terms of Appointment of our Directors***" on pages 244 and 245, the details of our other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below.

Naresh Kumar is the Chief Financial Officer of our Company. He joined our Company on July 2, 2005 and was employed with our Company till September 17, 2019. He then subsequently rejoined our Company on April 1, 2021 and has been designated as the Chief Financial Officer since March 28, 2023*. He holds a bachelor's degree in commerce from Maharshi Dayanand University, Rohtak, Haryana and is also a member of the Institute of Chartered Accountants of India. He has experience in finance and accounting. In Fiscal 2023, he received remuneration of ₹ 8.43 million from our Company.

Rajani Sharma is the Vice President (Legal), Company Secretary and Compliance Officer of our Company. She was appointed Company Secretary of our Company with effect from April 1, 2018 and as the compliance officer of our Company pursuant to a resolution of our Board dated March 28, 2023. She holds a bachelor's degree in commerce and a bachelor's degree in law, each from University of Delhi, New Delhi, Delhi and a diploma in business management from Institute of Management Technology, Ghaziabad, Uttar Pradesh. She is a member of the Institute of Company Secretaries of India. She has been previously associated with Eldeco Infrastructure and Properties Limited as company secretary, ITC Limited as Assistant Manager – Secretarial at Hotels Division Head Quarter and Company Secretary of Gujarat Hotels Limited. In Fiscal 2023, she received remuneration of ₹ 4.09 million from our Company.

* *While Naresh Kumar was serving as the Chief Financial Officer of the Company prior to March 28, 2023, the Board passed the resolution to designate him as Chief Financial Officer and a Key Managerial Personnel on March 28, 2023.*

Senior Management

In addition to Naresh Kumar and Rajani Sharma, whose details are disclosed under "– ***Key Managerial Personnel and Senior Management Personnel – Key Managerial Personnel***" on page 260, the details of our other Senior Management as on the date of this Draft Red Herring Prospectus are set forth below.

Vikas Siwach is the Vice President – Marketing of our Company. He has been associated with our Company since October 21, 2005. He holds a bachelor's degree in engineering (production) from North Maharashtra University, Jalgaon, Maharashtra. He has experience in marketing. In Fiscal 2023, he received an aggregate compensation of ₹ 4.92 million from our Company.

Harveer Singh is the President – Advanced Braking of our Company. He has been associated with our Company since August 1, 1998. He has passed the bachelor's degree course in arts from Meerut University, Meerut, Uttar Pradesh. He has experience in manufacturing sector. In Fiscal 2023, he received an aggregate compensation of ₹ 12.36 million from our Company.

Shiv Raj Singh is the Vice President – Advanced Braking of our Company. He has been associated with our Company since August 10, 1998. He holds a bachelor's degree in technology (mechanical engineering) and a master's degree in engineering (manufacturing systems engineering), both from Odessa State Polytechnic University, Odessa (Ukraine). He has experience in engineering and manufacturing sector. In Fiscal 2023, he received an aggregate compensation of ₹ 8.12 million from our Company.

Subhashis Dhara Sharma is the Chief Operating Officer – ALP of our Company. He has been associated with our Company since May 15, 2023. He has passed the exams for diploma in tool and die making from Central Tool Room & Training Centre, Kolkata, West Bengal and a master's degree in mechanical engineering from National Institute of Engineering, Maharashtra and a master's degree in business administration from National Institute of Management, Maharashtra. He has experience in auto manufacturing sector and was previously associated with Endurance Technologies Limited. As he was appointed in Fiscal 2024, he did not receive any compensation in Fiscal 2023 from our Company.

Sunil Kumar Bisht is the Senior Vice President – ALP of our Company. He has been associated with our Company since January 4, 2017. He holds a bachelor's degree in technology (mechanical engineering) from Banaras Hindu University, Varanasi, Uttar Pradesh. He has experience in engineering and manufacturing sector. In Fiscal 2023, he received an aggregate compensation of ₹ 9.08 million from our Company.

Satish Kumar Awasthi is the Assistant Vice President – Centre of Excellence of our Company. He has been associated with our Company since September 12, 2012. He has passed the exam for diploma in mechanical engineering from Government Polytechnic, Lucknow. Uttar Pradesh. He has experience in engineering and manufacturing sector. In Fiscal 2023, he received an aggregate compensation of ₹ 6.18 million from our Company.

A D Kallesha is the General Manager – Safety Control Cables of our Company. He has been associated with our Company since September 25, 2014. He holds a diploma in mechanical engineering from Board of Technical Examinations, Department of Technical Education, Bengaluru, Karnataka. He has experience in engineering and manufacturing sector and was previously associated with Suprajit Engineering Limited as manager, Avanti Components as supervisor in the quality department and Technico Industries Limited as manager in the operation department. In Fiscal 2023, he received an aggregate compensation of ₹ 3.33 million from our Company.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

Relationship among Key Managerial Personnel and/or Senior Management

None of our Key Managerial Personnel are related to each other or any of the Directors, except as stated in "***– Relationship between Directors, Key Managerial Personnel and Senior Management***" on page 245.

Bonus or profit-sharing plan for Key Managerial Personnel and Senior Management

Except as stated in "– ***Terms of Appointment of our Directors***" on page 245, none of our Key Managerial Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company.

Contingent and deferred compensation payable to Key Managerial Personnel and Senior Management

No contingent or deferred compensation was payable to any of our Key Managerial Personnel and Senior Management for Financial Year 2023.

Shareholding of Key Managerial Personnel and Senior Management in our Company

Except as disclosed in "***– Shareholding of our Directors in our Company***" on page 249, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company.

Service Contracts with Key Managerial Personnel and Senior Management

Our Key Managerial Personnel or Senior Management, other than our Directors, are governed by the terms of their respective appointment letters/employment contracts and have not entered into any other service contracts with our Company. Further, no officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

Interest of Key Managerial Personnel and Senior Management

Except as provided in ***"– Interest of Directors***" on page 249 and to the extent of the remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business, none of our Key Managerial Personnel and Senior Management have any interest in our Company.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel and Senior Management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Employee stock option and stock purchase schemes

Our Company has not formulated any employee stock option and stock purchase scheme as of the date of this Draft Red Herring Prospectus.

Changes in Key Managerial Personnel and Senior Management during the last three years

Except as stated below and in *"–* ***Changes in our Board during the last three years"*** on page 251, there has been no change in our Key Managerial Personnel and Senior Management during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name of Key Managerial Personnel/Senior Management	Date of Change	Reasons
Subhashis Dhara Sharma	May 15, 2023	Appointment as Chief Operating Officer – ALP
Rajani Sharma	March 28, 2023	Appointment as Compliance Officer
Naresh Kumar	March 28, 2023*	Designated as Chief Financial Officer

* *While Naresh Kumar was serving as the Chief Financial Officer of the Company prior to March 28, 2023, the Board passed the resolution to designate him as Chief Financial Officer and a Key Managerial Personnel on March 28, 2023.*

Payment or Benefit to Key Managerial Personnel and Senior Management of our Company

No non-salary related amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

Kuldip Singh Rathee and Vijay Rathee are the Promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters, together hold 145,164,600 Equity Shares, representing 73.63% of the issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoter's shareholding in our Company, see "***Capital Structure – History of the share capital held by our Promoters and the members of our Promoter Group in our Company – Build-up of our Promoters' shareholding in our Company***" on page 93.

Details of our Promoters

Kuldip Singh Rathee

Kuldip Singh Rathee born on August 28, 1954, aged 68 years, is the Promoter and Chairman and Managing Director of our Company. He is a resident of Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110030, Delhi, India. For the complete profile of Kuldip Singh Rathee, along with the details of his educational qualifications, experience in the business, positions/posts held in past, directorships in other entities and other ventures of the Promoter, special achievements, and his business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 244. The permanent account number of Kuldip Singh Rathee is ABQPR9407H.

Vijay Rathee

Vijay Rathee born on September 14, 1953, aged 69 years, is a Promoter and Non-Executive Director of our Company. She is a resident of Farm No. 82, Road No. 4, Silver Oak Marg, Ghitorni, New Delhi 110030, Delhi, India. For the complete profile of Vijay Rathee, along with the details of her educational qualifications, experience in the business, positions/posts held in past, directorships in other entities and other ventures of the Promoter, special achievements, and her business and financial activities, see "***Our Management – Brief profiles of our Directors***" on page 244. The permanent account number of Vijay Rathee is ADXPR3737M.

Our Company confirms that the permanent account number, bank account number, Aadhar card number, passport number and driving license number of our Promoters will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Change in control of our Company

There has been no change in the control of our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus. Pursuant to a resolution passed by the Board of Directors dated October 6, 2022, Kuldip Singh Rathee and Vijay Rathee have been identified as Promoters. Accordingly, as on the date of this Draft Red Herring Prospectus, our Company has two Promoters.

Interest of our Promoters

(a) Our Promoters are interested in our Company to the extent: (i) that they have promoted our Company; (ii) that either they, or any of their relatives, hold any direct or indirect shareholding or other securities in our Company, and any dividends or any other distributions payable in respect thereof; (iii) any directorships that they may hold in our Company or our Subsidiary or Joint Venture, and to the extent of any remuneration payable to them in this regard. For details of the Promoters' shareholding in our Company, see "***Capital Structure – History of the share capital held by our Promoters and the members of our Promoter Group in our Company – Build-up of our Promoters' shareholding in our Company***" on page 93. For details of the interest of Kuldip Singh Rathee and Vijay Rathee as Directors of our Company, see "***Our Management – Interest of Directors***" on page 249.

(b) Except as disclosed in "***Our Management – Interest of Directors - Interest in land and property, acquisition of land, construction of building or supply of machinery, etc.***" and except as stated in "***Other Financial Information – Related Party Transactions***" on pages 250 and 336, respectively, our Promoters have no interest in any property acquired by our Company during the three years preceding the date of this Draft Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

(c) No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are a member, in cash or shares or otherwise by any person either to induce such person to become, or to qualify such person as a director, or otherwise for services rendered by such Promoters or by such firm or company in connection with the promotion or formation of our Company.

(d) Our Promoters may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they are members or in which they hold directorships or any partnership firm in which they are partners in the ordinary course of business, including for purchase/sale of goods and/or services. For further details, please see "***Other Financial Information – Related Party Transactions***" on page 336.

Payment or benefits to our Promoters or our Promoter Group

Except in the ordinary course of business and as disclosed in "***Our Management – Terms of appointment of our Directors***" and "***Other Financial Information – Related Party Transactions***" on pages 245 and 336, our Company has not entered into any contract, agreements or arrangements in the two immediately preceding years in which our Promoters are directly or indirectly interested, nor does our Company propose to enter into any such contract, arrangement or agreements in which our Promoters are directly or indirectly interested and no payments or benefits or consideration for payment of giving of the benefit are intended to be made to the Promoters and/or to the members of the Promoter Group or have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Material Guarantees given by our Promoters

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

Disassociation by our Promoters in the three immediately preceding years

Our Promoters have not disassociated themselves from any companies or firms during the three immediately preceding years.

Promoter Group

Individuals and entities that form part of the Promoter Group of our Company in terms of Regulations 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our individual Promoters, are as follows:

(a) Immediate relatives of our Promoters

Name of Promoter	Name of relative	Relationship
	Vijay Rathee	Spouse

Kuldip Singh Rathee	Sushila Rathee	Sister
	Sarla Chahal	Sister
	Vimla Chaudhary	Sister
	Prashant Rathee	Son
	Aman Rathee	Son
	Anil Kumar Agastya	Spouse's brother
	Asha Rani Sood	Spouse's sister
Vijay Rathee	Kuldip Singh Rathee	Spouse
	Anil Kumar Agastya	Brother
	Asha Rani Sood	Sister
	Prashant Rathee	Son
	Aman Rathee	Son
	Sushila Rathee	Spouse's sister
	Sarla Chahal	Spouse's sister
	Vimla Chaudhary	Spouse's sister

(b) In addition to the individuals mentioned above, persons whose shareholding is aggregated under the heading "shareholding of the promoter group":

i) Kanika Rathee
ii) Vijeta Rathee

Entities forming part of the Promoter Group

The entities forming part of the Promoter Group are as follows:

1. A A Friction Materials Private Limited
2. A.P. Automotives Private Limited
3. Aadhunik Agrotech Private Limited
4. Aadhunik Realty Private Limited
5. Aman Rathee HUF
6. Fresh Air Farms Private Limited
7. KS Rathee & Sons HUF
8. KSR Landholding Projects Private Limited
9. KSR Reality Private Limited
10. KVP Hotels & Resorts Private Limited
11. LY Developers Private Limited
12. Planet Agro Farms Private Limited
13. Som Datt Finance Corporation Limited*
14. Vijaylaxmi Farms Private Limited
15. Vijaylaxmi Fincap Private Limited
16. Vijaylaxmi Infra Projects Private Limited
17. Vijaylaxmi Infrabuild Private Limited

** Dr. Bhaskara Rao Bollineni and Bhavanam Ruthvik Reddy) entered into a share purchase agreement dated November 9, 2022, with our Promoters, Kuldip Singh Rathee and Vijay Rathee for acquisition of 6,939,650 equity shares of Som Datt Finance Corporation Limited ("**Som Datt**") having a face value of ₹ 10 each, representing 69.34% of the total issued, outstanding and fully paid-up equity share capital of Som Datt carrying voting rights, for an aggregate consideration of ₹ 235.10 million. Further to such proposed acquisition, the Acquirers are in the process of completing an open offer made to all the public shareholders of Som Datt to acquire up to 2,602,073 fully paid up equity shares of face value ₹ 10 each of Som Datt, representing 26.00% of its total issued, outstanding and fully paid-up equity share capital carrying voting rights at an offer price of ₹ 33.88 per equity share aggregating to a total consideration of ₹ 88,158,233.24 (assuming full acceptance) ("**Open Offer**"). The Open Offer opened on May 29, 2023 and closed on June 9, 2023. Further, in terms of regulation 18(11) and regulation 18(11A) of the SEBI Takeover Regulations, an interest amount of ₹ 0.92 per equity share was applicable on the offer price of ₹ 33.88 per equity share, pursuant to which the revised offer price was ₹ 34.80 per equity share and the revised total consideration was ₹ 90,552,140.40. Upon completion of the Open Offer (assuming full acceptance) and the proposed acquisition pursuant to the share purchase agreement dated November 9, 2022, the entire shareholding of our Promoters in Som Datt will be transferred to the Acquirers and our Promoters shall cease to be the shareholders of Som Datt. Further, post completion of the Open Offer Som Datt will no longer form part of the Promoter Group.*

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes: (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, in terms of the Materiality Policy as approved by our Board pursuant to its resolution dated May 16, 2023, (i) companies (other than the Subsidiary) with which there were related party transactions, during the period for which financial information is disclosed in this Draft Red Herring Prospectus; (ii) a company that is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and has entered into one or more related party transactions during the last completed financial year and the stub period, if any, which individually or in the aggregate, exceed 10% of the total revenue from operations of our Company, for the last completed financial year, as included in the offer documents until the date of filing of the offer documents, as set out below:

S. No.	Group Company	Registered Office
1.	ASK Fras-Le Friction Private Limited	Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India
2.	A A Friction Materials Private Limited	Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India
3.	A.P. Automotives Private Limited	Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India
4.	Vijaylaxmi Infra Projects Private Limited	Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi 110 005, Delhi, India

Details of our Group Companies

In accordance with the SEBI ICDR Regulations, information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, of our Group Companies determined on the basis of their annual turnover, based on their respective audited financial statements for the preceding three years shall be hosted on our/their respective websites as indicated below:

S. No.	Top Group Companies	Website
1.	ASK Fras-Le Friction Private Limited	www.askfras-le.com/corporate-governance
2.	A A Friction Materials Private Limited	www.askbrake.com/financial-information
3.	A.P. Automotives Private Limited	www.askbrake.com/financial-information
4.	Vijaylaxmi Infra Projects Private Limited	www.askbrake.com/financial-information

Our Company has provided links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. The information provided on the websites given above should not be relied upon or used as a basis for any investment decision.

Neither our Company nor any of the BRLMs or the Promoter Selling Shareholders nor any of the Company's, BRLMs' or Selling Shareholder's respective directors, employees, affiliates, associates, advisors, agents or representatives accept any liability whatsoever for any loss arising from any information presented or contained in the websites given above.

Nature and extent of interests of our Group Companies

As on the date of this Draft Red Herring Prospectus, our Group Companies do not have any interest in the promotion or formation of our Company.

Except as disclosed in "***Other Financial Information – Related Party Transactions"*** on page 336 and as set out below, the Group Companies do not have any interest in any property acquired by our Company in the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of this Draft Red Herring Prospectus:

Our manufacturing unit ASK-2, situated at 30-31, Village Nawada, Fatehpur, Gurugram 122 050, Haryana, India has been leased to us by our Group Company, A.P. Automotives Private Limited. For details see, "***Our Management – Interest of Directors***" on page 249.

Except as disclosed in "***Other Financial Information – Related Party Transactions***" on page 336, our Group Companies do not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.

Except as disclosed under "***Other Financial Information – Related Party Transactions***" on page 336 and in the ordinary course of business, our Group Companies do not have or currently propose to have any business interest in our Company.

Related business transactions

Certain related business transaction in relation to ASK Fras-le Friction Private Limited, our Joint Venture and Group Company are set below:

(1) Our Company has entered into an employee loaning agreement with our Joint Venture and our Group Company, ASK Fras-Le Friction Private Limited with effect from February 1, 2018 pursuant to which our Company has agreed to loan and provide services of our employees for performing the work for and on behalf of our Joint Venture and our Group Company, ASK Fras-Le Friction Private Limited. Our Joint Venture and our Group Company, ASK Fras-Le Friction Private Limited has agreed to provide a monthly compensation of ₹ 0.58 million to our Company subject to an annual increment of not exceeding 15%;

(2) Our Company has executed a loan agreement dated December 20, 2019 with our Joint Venture and our Group Company, ASK Fras-le Friction Private Limited pursuant to which our Company has extended a loan of ₹ 106.65 million to our Joint Venture and our Group Company, ASK Fras-le Friction Private Limited;

(3) Our Company has provided a corporate guarantee in relation to credit facilities worth ₹ 215 million availed by our Joint Venture and our Group Company, ASK Fras-Le Friction Private Limited from Kotak Mahindra Bank Limited pursuant to a sanction letter dated December 6, 2021. Such facilities have been repaid by ASK Fras-Le Friction Private Limited during Fiscal 2023, however, corporate guarantee in relation to these facilities are yet to be released by Kotak Mahindra Bank Limited as on the date of this Draft Red Herring Prospectus; and

(4) Our Company has provided a deed of guarantee in relation to credit facilities worth ₹ 620 million availed by our Joint Venture and our Group Company, ASK Fras-Le Friction Private Limited from Axis Bank Limited. ASK Fras-Le Friction Private Limited has not drawdown funds under such facilities, however, the corporate guarantee in relation to these facilities are yet to be released by Axis Bank Limited as on the date of this Draft Red Herring Prospectus.

For details of the related business transactions that have been entered into between our Company and the Group Companies, please see "***Other Financial Information – Related Party Transactions***" on page 336.

Common pursuits

Except our Subsidiary, our Joint Venture, A A Friction Materials Private Limited and A.P. Automotives Private Limited which are engaged in the same line of business as that of our Company, there are no common pursuits between any associate/Group Companies and our Company as on the date of this Draft Red Herring Prospectus.

Our Company, our Subsidiary, our Joint Venture, and two of our Group Companies, namely, A A Friction Materials Private Limited and A.P. Automotives Private Limited will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Litigation

As on date of this Draft Red Herring Prospectus, our Group Companies are not party to any pending litigation which will have a material impact on our Company.

DIVIDEND POLICY

The declaration and payment of dividend on the Equity Shares will be recommended by our Board and approved by our Shareholders, at their discretion subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013, read with the applicable rules issued thereunder.

The dividend distribution policy of our Company was approved and adopted by our Board on May 16, 2023 ("**Dividend Policy**"). In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal and external factors, which includes, *inter alia*, profits earned during the financial year, accumulated reserves and distributable profits, working capital and capital expenditure requirement, capital requirements for maintenance of appropriate capital adequacy ratio, legal requirements/regulatory restrictions, macro-economic environment, cost of borrowing and covenants, if any, with lenders.

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and Shareholders. The dividend, if any, will depend on the aforementioned parameters and on factors that our Board deems relevant, including but not limited to the earnings, past dividend patterns, capital expenditures to be incurred by our Company, cash flow position of our Company and the cost of borrowings, applicable legal restrictions, overall financial position of our Company and other factors considered relevant by the Board. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to applicable laws and regulations including taxation laws, economic conditions, and prevalent market practices. For details in relation to risks involved in this regard, please see "***Risk Factors – Risks related to the Offer and the Equity Shares – Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures, financial condition and restrictive covenants of our financing arrangements***" on page 67.

Except as disclosed below, our Company has not paid any dividends on the Equity Shares during Financial Years ended March 31, 2021, March 31, 2022, March 31, 2023 and the period from April 1, 2023 until the date of this Draft Red Herring Prospectus:

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	April 1, 2023 till the date of this Draft Red Herring Prospectus
Face value per Equity Share (in ₹)	2	NA	NA	NA
Dividend paid (in ₹ million)	20.34	Nil	Nil	Nil
Dividend per Equity Share (in ₹)	0.40	NA	NA	NA
Rate of dividend (%)	20%	NA	NA	NA
Number of Equity Shares	50,860,650(1)	NA	NA	NA
Dividend distribution tax (in %)	NA(2)	NA	NA	NA
Dividend distribution tax (in ₹)	NA	NA	NA	NA
Mode of payment	Banking channels	NA	NA	NA

(1) *Does not reflect the bonus issue dated March 30, 2021.*

(2) *Section 115-O of the Income Tax Act, 1961 was made ineffective from assessment year 2021-2022.*

Note:

Prior to the Finance Act, 2020, a company declaring dividend was required to pay the dividend distribution tax before crediting the dividend into the account of the shareholders. Pursuant to Finance Act, 2020, new dividend received by a shareholders, whether from a domestic or foreign company, is taxable in his/her hands.

The amounts paid as dividends in the past are not necessarily indicative of dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Offer. There is no guarantee that any dividends will be declared or paid in the future.

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
ASK Automotive Limited
(formerly known as ASK Automotive Private Limited),
Flat No- 104, 929/1, Naiwala,
Faiz Road, Karol Bagh,
New Delhi- 110005
India

Dear Sirs,

1. We have examined the attached restated consolidated financial information of ASK Automotive Limited (formerly known as ASK Automotive Private Limited) (the "Company" or the "Issuer") and its subsidiary (the Company and its subsidiary together referred to as the "Group"), and its joint venture, comprising the restated consolidated statement of assets and liabilities of the Group and its joint venture as at 31 March 2023 and 31 March 2022, and of the Company and its joint venture as at 31 March 2021, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows of the Group and its joint venture for the years ended 31 March 2023 and 31 March 2022, and of the Company and its joint venture for the year ended 31 March 2021, the summary statement of significant accounting policies and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 16 May 2023 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares of Rs. 2 each ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed 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 responsibility of the respective Board of Directors of the companies included in the Group and its joint venture includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group and its joint venture complies 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 13 January 2023 and addendum to the engagement letter dated 23 January 2023 in connection with the proposed IPO of the Company;

    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 audited consolidated Ind AS financial statements of the Group and its joint venture as at and for the years ended 31 March 2023 and 31 March 2022 and of the Company and its joint venture as at and for the year ended 31 March 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India ("Consolidated Financial Statements"), which have been approved by the Company's Board of Directors at their meeting held on 16 May 2023, 30 September 2022 and 24 August 2021 respectively.

5. For the purpose of our examination, we have relied on auditors' report issued by us dated 16 May 2023, 30 September 2022 and 24 August 2021 on the Consolidated Financial Statements of the Group and its Joint Venture as at and for the years ended 31 March 2023, 31 March 2022 and of the Company and its joint venture for the year ended 31 March 2021, respectively, as referred in Paragraph 4 above.

Independent Auditor's Examination Report to the Board of Directors of ASK Automotive Limited (formerly known as ASK Automotive Private Limited) on the Restated Consolidated Financial Statements for the year ended 31 March 2023 (Cont'd)

6. As indicated in our audit reports referred above:

a) we did not audit financial statements of one subsidiary and one joint venture whose share of total assets, total revenues, net cash inflows and share of loss in its joint venture included in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by other auditors listed in Appendix 1, and whose reports have been furnished to us by the Company's management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(₹ in million)

Particulars	As at/ for the year ended 31 March 2023	As at/ for the year ended 31 March 2022	As at/ for the year ended 31 March 2021
Total assets	2,280.81	783.61	NIL
Total revenue from operations	0.44	NIL	NIL
Net cash inflow	7.62	3.56	NIL
Share of loss in its joint venture	(59.54)	(52.91)	(43.99)

Our opinion on the Consolidated Financial Statements is not modified in respect of these matters.

The other auditor of the subsidiary i.e. B. B. & Associates, and other auditor of the joint venture i.e. S. R. Batliboi & Co. LLP for years ended 31 March 2023, and 31 March 2022 and B. B. & Associates for the year ended 31 March 2021 have examined the restated financial information and have respectively confirmed that the restated financial information of the subsidiary and joint venture:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2022 and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2023; and

b) have been prepared in accordance with the Act, 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 report submitted by the 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 31 March 2022 and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2023;

b) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act for the years ended 31 March 2023, 31 March 2022 and the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act for the year ended 31 March 2021 which do not require any adjustments in the Restated Consolidated Financial Information have been disclosed in Note 51 of the Restated Consolidated Financial Information; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.

9. 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.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 23508685BGYCQU9545

Place: Gurugram
Date: 16 May 2023

Independent Auditor's Examination Report to the Board of Directors of ASK Automotive Limited (formerly known as ASK Automotive Private Limited) on the Restated Consolidated Financial Statements for the year ended 31 March 2023 (Cont'd)

Appendix 1

Financial Year & Part thereof	Name of Auditor	Name of Entity	Relation
2020-21	B S R & Co. LLP	ASK Fras-Le Friction Private Limited	Joint Venture
2021-22	S.R. Batliboi & Co. LLP	ASK Fras-Le Friction Private Limited	Joint Venture
2022-23	S.R. Batliboi & Co. LLP	ASK Fras-Le Friction Private Limited	Joint Venture
7 June 2021 to 31 March 2022	B. B. & Associates	ASK Automobiles Private Limited	Subsidiary
2022-23	B. B. & Associates	ASK Automobiles Private Limited	Subsidiary

ASK Automotive Limited (formerly known as ASK Automotive Private Limited)
Restated Consolidated Statement of Assets and Liabilities
CIN: U34300DL1988PLC030342
(All amounts are in INR Million, except otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
ASSETS				
Non-current assets				
Property, plant and equipment	3	4,564.93	4,630.18	4,080.99
Capital work-in-progress	3	1,182.45	28.50	98.29
Right-of-use assets	4A	842.84	884.80	77.78
Goodwill	4B	1,819.10	1,819.10	1,819.10
Other intangible assets	4C	31.28	41.85	56.07
Financial assets				
(i) Investments	5	40.41	-	33.95
(ii) Loans	5A	79.99	87.70	106.65
(iii) Other financial assets	6	100.13	87.28	84.64
Non-current tax assets (net)	7	6.63	49.51	46.98
Other non-current assets	8	139.53	42.13	59.83
Total non-current assets		**8,807.29**	**7,671.05**	**6,464.28**
Current assets				
Inventories	9	1,535.76	1,243.69	1,126.81
Financial assets				
(i) Loans	5A	26.66	-	-
(ii) Trade receivables	10	2,104.46	2,011.61	1,585.83
(iii) Cash and cash equivalents	11	22.27	13.02	185.27
(iv) Bank balances other than (iii) above	12	1.50	2.64	1.43
(v) Other financial assets	6	56.23	11.99	5.56
Current tax assets (net)	7A	0.21	-	-
Other current assets	8	257.70	91.03	70.95
Total current assets		**4,004.79**	**3,373.98**	**2,975.85**
Assets held for sale	3.6	-	10.60	42.40
Total assets		**12,812.08**	**11,055.63**	**9,482.53**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	394.29	401.79	406.89
Other equity	14	6,043.42	5,917.29	5,815.36
Total equity		**6,437.71**	**6,319.08**	**6,222.25**
Non-current liabilities				
Financial liabilities				
(i) Borrowings	15	2,088.47	1,023.49	426.70
(ii) Lease liabilities	16	26.52	87.31	32.48
Provisions	17	256.51	240.34	242.96
Deferred tax liabilities (net)	19	279.61	297.14	306.05
Total non-current liabilities		**2,651.11**	**1,648.28**	**1,008.19**
Current liabilities				
Financial liabilities				
(i) Borrowings	20	1,091.64	574.44	372.24
(ii) Lease Liabilities	16	72.18	68.23	10.27
(iii) Trade payables				
(a) Total outstanding dues of micro enterprises and small enterprises	21	431.96	317.49	164.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	1,266.57	1,470.93	1,328.80
(iv) Other financial liabilities	22	387.64	212.26	94.26
Provisions	17	72.22	55.43	37.48
Current tax liabilities (net)	23	28.13	26.89	10.62
Other current liabilities	18	372.92	362.60	233.52
Total current liabilities		**3,723.26**	**3,088.27**	**2,252.09**
Total liabilities		**6,374.37**	**4,736.55**	**3,260.28**
Total equity and liabilities		**12,812.08**	**11,055.63**	**9,482.53**

The accompanying notes are an integral part of the restated consolidated financial information (Note- 1 to 53).

This is the restated consolidated statement of assets and liabilities referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

Ashish Gera
Partner
Membership No.: 508685

Place: Gurugram
Date: 16 May 2023

Kuldip Singh Rathee
Managing Director
DIN: 00041032

Prashant Rathee
Executive Director
DIN: 00041081

Naresh Kumar
Chief Financial Officer

Rajani Sharma
Company Secretary
M. No. 14391

Place: Gurugram
Date: 16 May 2023

ASK Automotive Limited (formerly known as ASK Automotive Private Limited)
Restated Consolidated Statement of Profit and Loss
CIN: U34300DL1988PLC030342
(All amounts are in INR Million, except otherwise stated)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Income				
Revenue from operations	24	25,551.67	20,130.83	15,439.92
Other income	25	111.12	111.77	237.75
Total income		**25,662.79**	**20,242.60**	**15,677.67**
Expenses				
Cost of material consumed	26	17,985.79	14,038.07	10,154.42
Changes in inventories of finished goods and work-in-progress	27	(167.96)	(103.54)	(172.58)
Employee benefits expense	28	1,393.65	1,227.02	1,022.55
Finance costs	29	111.90	80.82	108.51
Depreciation and amortisation expense	30	607.05	559.10	518.93
Other expenses	31	4,023.05	3,282.26	2,608.80
Dies for own use		(47.19)	(23.79)	(36.64)
Total expenses		**23,906.29**	**19,059.94**	**14,203.99**
Profit before share of net profits/(losses) of joint venture accounted for using equity method and taxes		**1,756.50**	**1,182.66**	**1,473.68**
Share of net losses of joint venture accounted for using equity method (net of taxes)		(58.92)	(52.75)	(44.07)
Profit before tax		**1,697.58**	**1,129.91**	**1,429.61**
Tax expenses				
Current Tax				
- Current year	32	485.10	316.82	381.20
- Prior year	32	0.66	(1.40)	(2.03)
Deferred tax	32	(17.71)	(12.10)	(11.57)
Total tax expenses		**468.05**	**303.32**	**367.60**
Profit after tax for the year		**1,229.53**	**826.59**	**1,062.01**
Other comprehensive income:				
(i) Items that will not be reclassified to profit or loss in subsequent years:				
Remeasurement of post employment benefit obligations		0.72	12.66	(5.95)
(ii) Income tax relating to items that will not be reclassified to profit or loss in subsequent years	32	(0.18)	(3.19)	1.50
Share of Other comprehensive income/(loss) of joint venture accounted for using equity method (net of taxes)		(0.67)	(0.15)	0.08
Other comprehensive (loss)/income for the year, net of tax		**(0.13)**	**9.32**	**(4.37)**
Total comprehensive income for the year		**1,229.40**	**835.91**	**1,057.64**
Earnings per equity share (INR)				
Basic and Diluted	33	**6.18**	**4.09**	**5.22**

The accompanying notes are an integral part of the restated consolidated financial information (Note- 1 to 53).

This is the restated consolidated statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

Ashish Gera
Partner
Membership No.: 508685

Place: Gurugram
Date: 16 May 2023

Kuldip Singh Rathee
Managing Director
DIN: 00041032

Prashant Rathee
Executive Director
DIN: 00041081

Naresh Kumar
Chief Financial Officer

Rajani Sharma
Company Secretary
M. No. 14391

Place: Gurugram
Date: 16 May 2023

ASK Automotive Limited (formerly known as ASK Automotive Private Limited)
Restated Consolidated Statement of Cash Flows
CIN: U34300DL1988PLC030342
(All amounts are in INR Million, except otherwise stated)

		For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
A.	**Cash flow from operating activities**			
	Profit before tax	**1,697.58**	**1,129.91**	**1,429.61**
	Adjustment to reconcile profit before tax to net cash flows:			
	Share of net losses of joint venture	58.92	52.75	44.07
	Depreciation and amortisation expense	607.05	559.10	518.93
	Excess liability/provision written back	(13.84)	(39.31)	(8.16)
	Provision for doubtful debts	1.21	-	4.67
	Profit on sale of Investments	-	-	(151.78)
	Net unrealised (profit)/ loss on foreign currency transaction	(1.63)	(6.48)	(0.58)
	Government grant	(28.43)	(24.74)	(29.41)
	Loss/(Gain) on sale/discarding of property, plant & equipment	2.80	(0.25)	3.71
	Gain on assets held for sale	(0.60)	-	-
	Amount written off	2.07	-	-
	Interest/ Dividend income classified as investing cash flow	(20.40)	(16.24)	(22.00)
	Finance cost	110.79	79.42	105.82
	Gain on lease modifications	(1.72)	(0.03)	-
	Operating profit before working capital changes	**2,413.80**	**1,734.13**	**1,894.88**
	Movements in working capital :			
	Changes in trade receivables	(92.45)	(419.36)	(693.01)
	Changes in inventories	(292.07)	(116.89)	(196.43)
	Changes in trade payables	(89.88)	294.79	515.59
	Changes in financial assets	(35.80)	(16.88)	108.00
	Changes in other assets	(168.20)	(22.82)	7.30
	Changes in other financial liabilities	26.42	131.19	(54.81)
	Changes in provisions	33.69	27.99	35.71
	Changes in other liabilities	34.07	131.70	(2.42)
	Cash generated from operations	**1,829.58**	**1,743.85**	**1,614.81**
	Direct taxes paid (net of refunds)	(443.78)	(301.68)	(335.26)
	Net cash flow from operating activities (A)	**1,385.80**	**1,442.17**	**1,279.55**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment and intangible assets (including capital work in progress)	(1,541.16)	(857.58)	(475.04)
	Proceeds from sale of property, plant and equipment	42.31	8.70	13.53
	Proceeds from assets held for sale	10.60	31.80	133.60
	(Purchase) /Sale of non current investments (net)	(120.05)	-	245.64
	Redemption of fixed deposits/(net)	(20.66)	1.03	0.10
	Dividend received	-	-	4.14
	Interest received	20.34	16.42	17.83
	Net cash used in investing activities (B)	**(1,608.62)**	**(799.63)**	**(60.20)**
C.	**Cash flow from financing activities**			
	Movement of short term borrowings (net)	461.72	141.40	(41.30)
	Proceeds from long term borrowings	1,355.34	821.00	200.00
	Repayment of long term borrowings (including current maturities)	(234.99)	(163.50)	(1,027.56)
	Principal payment of finance lease liability (refer note 44)	(88.63)	(794.33)	(61.87)
	Interest payment of finance lease liability (refer note 44)	(8.66)	(12.96)	(6.01)
	Dividend paid	-	-	(20.34)
	Bonus share issue expenses paid	-	-	(0.41)
	Expenses paid towards increase in authorised share capital	-	(0.23)	(2.93)
	Interest paid	(143.04)	(67.32)	(107.22)
	Payment for buyback of equity shares	(900.00)	(599.25)	-
	Payment of tax on buyback of equity shares	(209.67)	(139.60)	-
	Net cash flow from/ (used in) financing activities (C)	**232.07**	**(814.79)**	**(1,067.64)**
	Net Increase/Decrease in cash and cash equivalents (A+B+C)	**9.25**	**(172.25)**	**151.71**
	Cash and cash equivalents at beginning of the financial year	13.02	185.27	33.56
	Cash and cash equivalents at end of the financial year (refer note 11)	**22.27**	**13.02**	**185.27**

Reconciliation of cash and cash equivalents as per the restated Statement of Cash Flows :	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
Cash and cash equivalents as per above comprises of the following :			
- Cash on hand	0.58	0.65	0.57
- Balance in current accounts	21.69	12.37	184.70
Balances as per restated consolidated statement of cash flows	**22.27**	**13.02**	**185.27**

The restated consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the restated consolidated financial information (Note- 1 to 53).

This is the restated consolidated statement of cash flows referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

Ashish Gera
Partner
Membership No.: 508685

Place: Gurugram
Date: 16 May 2023

Kuldip Singh Rathee
Managing Director
DIN: 00041032

Prashant Rathee
Executive Director
DIN: 00041081

Naresh Kumar
Chief Financial Officer

Rajani Sharma
Company Secretary
M. No. 14391

Place: Gurugram
Date: 16 May 2023

ASK Automotive Limited (formerly known as ASK Automotive Private Limited)
Restated Consolidated Statement of Changes in Equity
CIN: U34300DL1988PLC030342
(All amounts are in INR Million, except otherwise stated)

A. Equity Share Capital*

As at 31 March 2023

Balance as at 1 April 2022 (equity share of INR 2 each)	Changes in equity share capital	Balance as at 31 March 2023 (equity share of INR 2 each)
401.79	(7.50)	**394.29**

As at 31 March 2022

Balance as at 1 April 2021 (equity share of INR 2 each)	Changes in equity share capital	Balance as at 31 March 2022 (equity share of INR 2 each)
406.89	(5.10)	**401.79**

As at 31 March 2021

Balance as at 1 April 2020 (equity share of INR 2 each)	Changes in equity share capital	Balance as at 31 March 2021 (equity share of INR 2 each)
101.72	305.17	**406.89**

* Refer Note No. 13 for details

B. Other Equity #

	Reserves and Surplus				
Particulars	**Capital redemption reserve**	**General reserve**	**Securities premium**	**Retained earnings**	**Total other equity**
As at 1 April 2020	**0.80**	**1.00**	**9.41**	**5,075.36**	**5,086.57**
Profit for the year	-	-	-	1,062.01	1,062.01
Other comprehensive income/(loss)	-	-	-	(4.37)	(4.37)
Total comprehensive income for the year	-	-	-	**1,057.64**	**1,057.64**
Less: Interim dividend	-	-	-	(20.34)	(20.34)
Less: Bonus shares issued during the year (refer note 13 (vi))	-	-	-	(305.17)	(305.17)
Less: Bonus share issue expenses	-	-	-	(0.41)	(0.41)
Less: Expenses for increase in authorised share capital (refer note 14)	-	-	-	(2.93)	(2.93)
Balance as at 31 March 2021	**0.80**	**1.00**	**9.41**	**5,804.15**	**5,815.36**
Profit for the year	-	-	-	826.59	826.59
Other comprehensive income/(loss)	-	-	-	9.32	9.32
Total comprehensive income for the year	-	-	-	**835.91**	**835.91**
Less: Transferred to Capital Redemption Reserve (refer note 13 (vii))	5.10	-	-	(5.10)	-
Less: Buyback of Shares (refer note 13 (vii))	-	-	-	(594.15)	(594.15)
Less: Income Tax on buyback of shares	-	-	-	(139.60)	(139.60)
Less: Expenses for increase in authorised share capital (refer note 14)	-	-	-	(0.23)	(0.23)
Balance as at 31 March 2022	**5.90**	**1.00**	**9.41**	**5,900.98**	**5,917.29**
Profit for the year	-	-	-	1,229.53	1,229.53
Other comprehensive income/(loss)	-	-	-	(0.13)	(0.13)
Total comprehensive income for the year	-	-	-	**1,229.40**	**1,229.40**
Less: Transferred to Capital Redemption Reserve (refer note 13 (vii))	**7.50**	-	-	(7.50)	-
Less: Buyback of Shares (refer note 13 (vii))	-	-	-	(892.50)	(892.50)
Less: Income Tax on buyback of shares	-	-	-	(209.67)	(209.67)
Less: Expenses for increase in authorised share capital (refer note 14)	-	-	-	(1.10)	(1.10)
Balance As at 31 March 2023	**13.40**	**1.00**	**9.41**	**6,019.61**	**6,043.42**

For nature and purpose of each reserve refer note 14.1
refer note 14 for details.

The accompanying notes are an integral part of the restated consolidated financial information (Note- 1 to 53).

This is the restated consolidated statement of changes in equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

Ashish Gera
Partner
Membership No.: 508685

Place: Gurugram
Date: 16 May 2023

Kuldip Singh Rathee
Managing Director
DIN: 00041032

Prashant Rathee
Executive Director
DIN: 00041081

Naresh Kumar
Chief Financial Officer

Rajani Sharma
Company Secretary
M. No. 14391

Place: Gurugram
Date: 16 May 2023

1. Corporate Information

ASK Automotive Limited (Formerly known as ASK Automotive Private Limited) ('the Holding Company') is a Public Limited Company domiciled in India with its registered office situated at Flat No. 104, 929/1, Naiwala, Faiz Road, Karol Bagh, New Delhi-110005. The Holding Company was incorporated as a private limited (ASK Automotive Private Limited) on 18 January 1988, has one wholly owned subsidiary and one Joint Venture Company in India. The Holding Company during the year passed a special resolution in the extraordinary general meeting of the shareholders held on 7 December 2022 for conversion to a public limited Company. The Holding Company received a certificate of incorporation from the Registrar of Companies on 6 January 2023 and was converted to a public company.

The Holding Company together with its subsidiary is herein referred to as "the Group". The Holding Company is engaged in the business of manufacturing of auto components including advance braking systems, aluminum light weighting precision solutions and safety control cables primarily for automobile industry. The Holding Company is supplier to the major leading Original Equipment Manufacturers (OEMs) in India like Honda, Hero MotoCorp, Bajaj Auto, TVS Motors, Suzuki, Yamaha, Mahindra, Royal Enfield, OLA, Ather, Revolt, Maruti, Piaggio etc. and having strong presence in secondary market (Independent aftermarket). The Group has manufacturing facilities in the states of Haryana, Karnataka, Gujarat, Himachal Pradesh and Uttarakhand. The Subsidiary has a manufacturing facility under development in the state of Rajasthan.

These Restated Consolidated Financial Statements for the year ended 31 March 2023 (reporting date) have been prepared as per the requirements of Schedule III of the Companies Act, 2013.

2. Basis of preparation

a. Statement of compliance with Ind AS

The Restated Consolidated Financial Information comprise of the Restated Consolidated Statement of Asset and Liabilities as at 31 March 2023, 31 March 2022 and 31 March 2021, Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Cash Flows and Restated Consolidated Statement of Changes in Equity for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 and the Summary Statement of Significant Accounting Policies and other explanatory information (hereinafter referred to as 'Restated Consolidated Financial Information').

The Restated Consolidated Financial Information have been approved by the Board of Directors of ASK Automotive Limited at their meeting held on 16 May 2023 and has been specifically prepared for inclusion in the draft red herring prospectus to be filed by ASK Automotive Limited with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offer of equity shares ('IPO') of ASK Automotive Limited (referred to as the 'Issue'). The Restated Consolidated Financial Information has been prepared by the management of ASK Automotive Limited to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the 'Act') as amended from time to time;

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date ('SEBI ICDR Regulations'); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information has been compiled by the management from audited consolidated financial statements of the Group as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 16 May 2023, 30 September 2022 and 24 August 2021 respectively.

The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of consolidated financial statements for the year ended 31 March 2023. This restated consolidated financial information do not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the consolidated financial statements as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 as mentioned above.

The Restated Consolidated Financial Information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

a) Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;

b) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the consolidated financial statements of the Group for the year ended 31 March 2023 and the requirements of the SEBI ICDR Regulations, if any; and

c) The resultant impact of tax due to the aforesaid adjustments, if any.

b. Functional and presentation currency

The restated consolidated financial information are presented in Indian rupees ('INR'), which is also the Group's functional currency. All amounts have been rounded-off to the nearest million (INR 000,000) upto two place of decimal, unless otherwise indicated.

c. Basis of measurement

The restated consolidated financial information have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The restated consolidated financial information have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Certain financial assets and liabilities	Fair value
Defined benefits (assets)/liability	Present value of defined benefits obligations

d. Use of estimates and judgements

The preparation of restated consolidated financial information in conformity with generally accepted accounting principles require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the restated consolidated financial information. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognized prospectively in current and future periods. Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the restated consolidated financial information is included in the following notes:

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Significant judgments

Contingent liabilities – At each balance sheet date, on the basis of the management judgment, changes in facts and legal aspects, the Group assesses the requirement of disclosure against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

e. Measurement of fair values

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 treasury division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values, and report directly to chief financial officer.

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 financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

f. Principles of consolidation

i) Subsidiary

Subsidiary includes the entity over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiary is fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date when control ceases.

The restated consolidated financial information of subsidiary are fully consolidated on a line-by-line basis. Intragroup balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said restated consolidated financial information. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

ii) Equity accounted investees

The Group's interest in equity accounted investees comprise interests in joint venture.

A joint venture is an agreement in which the Group has joint control and has right to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in joint ventures are accounted for using the equity method. They are initially recognized at cost which includes the transaction costs. Subsequent to initial recognition, the restated consolidated financial information includes the Group's share of Profit and Loss and other Comprehensive Income (OCI) of equity-accounted investee until the date on which significant influence or joint control ceases.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Transactions elimination on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transaction with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that here is no evidence of impairment.

The entities considered in the restated consolidated financial information during the year are listed below:

S. No.	Name of the entity	Country of Incorporation	Nature of Interest	% of Ownership
				31 March 2023
1	ASK Automobiles Private Limited*	India	Subsidiary	100%
2	ASK Fras-Le Friction Private Limited	India	Joint Venture	49%

*ASK Automobiles Private Limited is a wholly owned subsidiary since its incorporation on 7 June 2021.

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2A. Significant accounting policies

(a) Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within 12 months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within 12 months after the reporting date; or
d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(b) Foreign currency transactions

i. **Initial recognition**

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transaction.

ii. **Measurement at reporting date**

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non- monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/ settlement of all monetary items are recognized in the consolidated statement of profit and loss.

(c) 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.

i. **Recognition and initial measurement**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through Profit and Loss which are measured initially at fair value. However, trade receivables are recognised initially at the transaction price as they do not contain significant financing components.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost; or
- fair value through profit or loss (‘FVTPL’)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost as described above are measured at FVTPL.

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. The Group does not have any fixed liabilities under the category of FVTPL.

iii. **Derecognition**

Financial assets

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in consolidated statement of profit and loss.

iv. **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 realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

(d) Equity Investment in joint venture

Investments in equity instruments of joint venture is accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

(e) Property, plant and equipment

i. **<u>Recognition and measurement</u>**

Freehold Land is carried at cost and other items of property, plant and equipment are initially measured at cost of acquisition or construction which includes capitalized borrowing cost. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable purchase taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price. After initial recognition, items of property, plant and equipment are carried at its cost less any accumulated depreciation and / or accumulated impairment loss, if any.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable / allocable to bring the item to working condition for its intended use.

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.

Gains or losses arising on sale/disposal of items of property, plant and equipment are recognized in consolidated statement of profit and loss.

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

ii. **<u>Subsequent expenditure</u>**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. **<u>Depreciation</u>**

Depreciation on items of property, plant and equipment is provided on the straight-line method based on the estimated useful life of each asset as determined by the management. Depreciation is charged over the number of shift a plant or equipment is used in the business in accordance with schedule II of the Companies Act. Depreciation for assets purchased during the year is proportionately charged i.e. from the date on which asset is ready for use. Depreciation for assets sold during the year is proportionately charged i.e. up to the date on which asset is disposed off.

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The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the Schedule II of the Companies Act.

	Life in Years
Buildings	30
Plant and machinery	15 to 20
Electrical installations	10
Furniture and fixtures	10
Office equipments	5
Vehicles	8
Dies and Moulds	7 to 10
Computers	3

Based on internal valuation done by the management, Hangers and trollies are amortised at year end based on physical availability.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Modification or extension to an existing asset, which is of capital nature, and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

(f) Goodwill

Represents amounts paid over the identifiable assets towards Business Takeover transaction is carried forward based on assessment of benefits arising from such goodwill in future. Goodwill is tested for impairment annually at each balance sheet date in accordance with the Company's procedure for determining the recoverable amount of such assets. The recoverable amount of the Cash Generating Unit (CGU) is based on value in use. The value in use for Goodwill is determined based on discounted cash flow projections.

(g) Other Intangible Assets

i. **Recognition and initial measurement**

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

ii. **Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. **Amortisation**

Technical know-how is being amortized over a period of seven years on a straight line basis.

Computer software is being amortized over a period of six years on a straight line basis.

Distribution network
Represents allocation of amounts paid towards Business Takeover transaction is carried forward based on assessment of benefits arising from such network in future. Such expenditure is amortized on period of ten years on straight line basis.

The above periods also represent the management's estimation of economic useful life of the respective intangible assets.

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) Inventories

Inventories which comprise of raw material, work in progress, finished goods, packing material and stores and spares are valued at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The basis of determining costs for various categories of inventories are as follows: -

Raw materials, components, stores and spares, Packing material, Loose Tools, gauges and instruments	-	Weighted Average Method
Work-in-progress and finished goods	-	Material cost plus appropriate proportion of labour, manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and 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 goods. Raw materials held for use in production of finished goods are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed its net realisable value. The comparison of cost and net realizable value is made on an item-by-item basis.

(i) Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss. The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Group treats sale of the asset to be highly probable when:

i. The appropriate level of management is committed to a plan to sell the asset;
ii. An active programme to locate a buyer and complete the plan has been initiated (if applicable);
iii. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
iv. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
v. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

(j) Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Transfer of Financial Assets

The Group transfers certain trade receivables under invoice discounting arrangements. These do not qualify for derecognition, due to existence of the recourse arrangement. Consequently the proceeds received from such transfers with recourse arrangements are recorded as loans from banks / financial institutions and classified under short-term borrowings.

(k) Impairment of assets

Impairment of financial assets

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the consolidated statement of profit and loss.

Impairment of non-financial assets

The Group's non-financial assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. Assets that do not generate independent cash flows are grouped together into cash generating units (CGU). 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 consolidated 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. Recoverable amount is determined:

i. in case of an individual asset, at the higher of the net selling price and the value in use; and

ii. in case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the respective company suitably adjusted for risks specified to the estimated cash flows of the asset). For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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. An impairment loss is reversed 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.

(l) Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Borrowings are de-recognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(n) Employee benefits

i) Short-term employee benefits

Employee benefits payable within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense in consolidated statement of profit and loss as the related service is rendered by employees.

ii) Other long-term employee benefits:

Other long-term employee benefits are recognised as an expense in the consolidated statement of profit and loss as and when they accrue. The Group determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the consolidated statement of profit and loss.

iii) Post employment obligations

a. Defined Contribution Plans:

The Group makes payments to defined contribution plans such as provident fund and employees' state insurance. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b. Defined Benefit Plans:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit and loss as past service cost.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(p) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity or supplies made by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable.

Further, revenue from sale of goods is recognized 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 from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions, staggered discount on early payments and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Sale of services

The Group recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from services provided is recognised upon rendering of the services, in accordance with the agreed terms with the customers where ultimate collection of the revenue is reasonably expected.

Other operating revenue

All export benefits under various policies of Government of India are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Other income

Interest income is recognised on accrual basis using the effective interest method.

Contract assets

Contract assets is right to consideration in exchange for goods or services transferred to the customer and performance obligation satisfied. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional, in the nature of unbilled receivables. Upon completion of the attached condition and acceptance by the customer, the amounts recognised as contract assets is reclassified to trade receivables upon invoicing. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer or has raised the invoice in advance. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer)

(q) Government grants

Government grants related to property, plant and equipment are included in the non-current liabilities as deferred income and are credited to Profit and loss on the basis of fulfillment of export obligation and presented within other income in accordance with the primary conditions associated with purchase of assets and related grants.

Export benefit entitlements are recognised in the consolidated statement of profit and loss when the right to receive benefit is established in respect of the exports made and the realisation is reasonably certain.

(r) Leases

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases
The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement
At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement
The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate (IBR). Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in consolidated statement of profit and loss on a straight-line basis over the lease term.

Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay for last long-term funds raised.

(s) Income-tax

Tax expense recognised in consolidated statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income 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 is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. 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.

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 consolidated statement of profit and loss is recognised outside consolidated statement of profit or loss (either in other comprehensive income or in equity).

(t) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year end, except where the results would be anti-dilutive.

(u) 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. Contingent assets are neither recognised nor disclosed in the restated consolidated financial information. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(v) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(w) Borrowing costs

Borrowing costs directly attributable to acquisition, construction or erection of qualifying assets are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognised as an expense in the consolidated statement of profit and loss in the year in which they are incurred.

(x) Derivative financial instruments

The Group holds derivative financial instruments contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Apart from this derivatives are used as short term investment instruments as a treasury management function.

Derivatives are recognized initially at fair value and attributable transaction costs are recognized in net profit in the consolidated statement of profit and loss. Subsequent to initial recognition, the derivatives are measured at fair value through consolidated statement of profit and loss and the resulting exchange gains or losses are included in other income.

(y) Standards issued but not yet effective

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements
This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

c) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

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(All amounts are in INR Million, except otherwise stated)

3 Property, plant and equipment and capital work-in-progress

Particulars	Freehold Land	Leasehold land	Buildings	Plant and equipment	Electrical installation	Office equipments	Computers	Furniture and fixtures	Hangers, trolleys, dies and moulds	Vehicles	Total	Capital work-in-progress
Gross block												
As at 1 April 2020	**801.35**	**-**	**1,002.61**	**2,806.58**	**210.54**	**28.41**	**30.48**	**51.40**	**426.61**	**107.32**	**5,465.30**	**155.69**
Additions	-	-	106.36	266.07	13.27	14.01	7.33	33.09	43.77	2.56	486.46	326.46
Disposal / adjustments	-	-	-	(23.39)	(3.13)	(1.06)	(0.53)	(0.40)	(13.16)	-	(41.67)	(383.86)
As at 31 March 2021	**801.35**	**-**	**1,108.97**	**3,049.26**	**220.68**	**41.36**	**37.28**	**84.09**	**457.22**	**109.88**	**5,910.09**	**98.29**
Additions	67.89	-	118.49	731.57	29.40	15.45	9.78	13.28	39.20	8.74	1,033.82	747.84
Disposal / adjustments	-	-	-	(13.15)	(0.16)	(0.28)	(0.04)	(0.02)	(2.26)	(0.35)	(16.25)	(817.63)
As at 31 March 2022	**869.24**	**-**	**1,227.46**	**3,767.68**	**249.92**	**56.53**	**47.02**	**97.35**	**494.16**	**118.27**	**6,927.66**	**28.50**
Additions	-	-	2.75	349.34	14.80	7.65	8.56	7.11	60.34	57.68	508.22	1,467.54
Disposal / adjustments	-	-		(90.90)	(4.83)	(0.61)	(0.57)	(0.42)	(48.08)	(24.68)	(170.10)	(313.59)
As at 31 March 2023	**869.24**	**-**	**1,230.21**	**4,026.12**	**259.88**	**63.58**	**55.01**	**104.05**	**506.42**	**151.27**	**7,265.78**	**1,182.45**
Accumulated depreciation												
As at 1 April 2020	**-**	**-**	**86.90**	**972.81**	**75.61**	**18.04**	**21.52**	**20.23**	**187.81**	**29.33**	**1,412.25**	**-**
Charge for the year	-	-	35.39	297.80	23.08	4.75	4.66	7.75	54.42	13.42	441.27	-
Disposal / adjustments	-	-	-	(16.12)	(1.97)	(0.86)	(0.31)	(0.21)	(4.95)	-	(24.42)	-
As at 31 March 2021	**-**	**-**	**122.29**	**1,254.49**	**96.72**	**21.93**	**25.87**	**27.77**	**237.28**	**42.75**	**1,829.10**	**-**
Charge for the year	-	-	37.06	338.01	23.39	5.77	5.57	8.30	44.43	13.69	476.22	-
Disposal / adjustments	-	-	-	(6.65)	(0.13)	(0.26)	(0.03)	(0.02)	(0.43)	(0.32)	(7.84)	-
As at 31 March 2022	**-**	**-**	**159.35**	**1,585.85**	**119.98**	**27.44**	**31.41**	**36.05**	**281.28**	**56.12**	**2,297.48**	**-**
Charge for the year	-	-	40.47	377.15	24.47	7.85	6.78	9.32	46.91	14.48	527.44	-
Disposal / adjustments	-	-		(61.05)	(3.15)	(0.46)	(0.52)	(0.37)	(43.43)	(15.08)	(124.06)	-
As at 31 March 2023	**-**	**-**	**199.82**	**1,901.95**	**141.31**	**34.84**	**37.66**	**44.99**	**284.76**	**55.52**	**2,700.85**	**-**
Net Block												
As at 31 March 2023	**869.24**	**-**	**1,030.38**	**2,124.17**	**118.58**	**28.74**	**17.34**	**59.05**	**221.67**	**95.75**	**4,564.93**	**1,182.45**
As at 31 March 2022	**869.24**	**-**	**1,068.11**	**2,181.83**	**129.94**	**29.09**	**15.61**	**61.30**	**212.88**	**62.15**	**4,630.18**	**28.50**
As at 31 March 2021	**801.35**	**-**	**986.68**	**1,794.77**	**123.96**	**19.43**	**11.41**	**56.32**	**219.94**	**67.13**	**4,080.99**	**98.29**

3.1 Capital work in progress mainly comprises of addition to building, plant and equipment for Subsidiary Company as at 31 March 2023, addition of plant and equipment as at 31 March 2022 and addition of building constructed in Manesar and plant and equipment as at 31 March 2021 by the Holding Company.

3.2 Refer note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3.3 Refer note 15 and 20 for disclosure of information on property, plant and equipment mortgaged as security by the Group.

3.4 Title deed of all the immovable properties (other than properties where the Holding Company/Subsidiary Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Holding Company/Subsidiary Company respectively except Land of INR 67.89 Million (inclusive of registration costs INR 0.49 Million). During the year ended 31 March 2022, Land admeasuring approx. 4 acres (i.e. 16188 sq. mtrs.) situated at Narsapura Industrial Area, Kolar District of Karnataka, acquired in February 2012, from Karnataka Industrial Area Development Board (KIADB), on Lease Cum Sale basis, at a consideration of INR 34.00 Million (i.e. @ INR 8.50 Million per acre), with lease term of 10 years. Subsequently, the aforesaid Land was to be transferred in the name of the Holding Company. However, nearing to completion of lease term, KIADB have demanded additional compensation of INR 33.40 Million (i.e. INR 8.35 Million per acre) towards this Land. The Holding Company has filed its objection against the said ex-parte demand of enhanced compensation and requested KIADB to review the said excessive demand, which is pending disposal at their end. Based on the demand from KIADB, liability of INR 33.40 Million has been provided by the Holding Company. Considering that the matter has not yet concluded, Holding company has requested KIADB via letter submitted on dated 27 September 2022 to extend the existing arrangement. Based on the request of the Holding Company, KIADB has extended the existing arrangement for another two years i.e. upto 09 April 2024 via letter dated 23 November 2022. This Land has been included above in freehold land.

3.5 Refer note 41 for ageing of capital work-in-progress

(All amounts are in INR Million, except otherwise stated)

3 Property, plant and equipment and capital work-in-progress (continued)

3.6 Assets classified as held for sale

The Holding Company was allotted plot no. GH-33 situated at Sector-1, IMT Manesar, Gurugram, by Haryana State Industrial and Infrastructure Development Corporation ("HSIIDC") vide RLA no. HSIIDC/CGHS/Manesar/2007/599-600 dated 8 January 2007 for the purpose of building a group housing project. Subsequently, the Holding Company has constructed an apartment building on this land including car parking and service basement, known as "ASK Greens" according to scheme of HSIIDC. During the financial year 2017-18 , upon completion of construction of flats, the Holding Company filed a deed of declaration with sub-registrar, Manesar, thereby converting the aforesaid land and building into 40 flats having a total value of INR 364.00 Million. These group housing flats had been classified as held for sale, details as follows:

Particulars	Amount
As at 1 April 2020	**176.00**
Sold during the year	133.60
As at 31 March 2021	**42.40**
Sold during the year	31.80
As at 31 March 2022	**10.60**
Sold during the year	10.60
As at 31 March 2023	**-**

4 Right of use assets, Goodwill & Other intangible assets

4A Right of use assets

Gross block	Amount
As at 1 April 2020	**189.59**
Additions	8.21
Disposal/Adjustment	(104.25)
As at 31 March 2021	**93.55**
Additions	915.30
Disposal/Adjustment	(37.14)
As at 31 March 2022	**971.71**
Additions	41.50
Disposal/Adjustment	(18.37)
As at 31 March 2023	**994.84**
Accumulated Amortisation	
As at 1 April 2020	**57.68**
Charge for the year	62.33
Disposal/Adjustment	(104.24)
As at 31 March 2021	**15.77**
Charge for the year*	71.14
Disposal/Adjustment	-
As at 31 March 2022	**86.91**
Charge for the year*	75.93
Disposal/Adjustment	(10.84)
As at 31 March 2023	**152.00**
Net Block	
As at 31 March 2023	**842.84**
As at 31 March 2022	**884.80**
As at 31 March 2021	**77.78**

*Amortisation of leasehold land of INR 7.65 Million (31 March 2022: INR 3.09 Million) has been transferred to Capital work-in-progress.

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(All amounts are in INR Million, except otherwise stated)

4 Right of use assets, Goodwill & Other intangible assets (continued)

4B Goodwill

Gross block	**Amount**
As at 1 April 2020	**1,819.10**
Additions	-
Disposal	-
As at 31 March 2021	**1,819.10**
Additions	-
Disposal	-
As at 31 March 2022	**1,819.10**
Additions	-
Disposal	-
As at 31 March 2023	**1,819.10**
Accumulated Impairment	
As at 1 April 2020	**-**
Charge for the year	-
Disposals	-
As at 31 March 2021	**-**
Charge for the year	-
Disposals	-
As at 31 March 2022	**-**
Charge for the year	-
Disposals	-
As at 31 March 2023	**-**
Net Block	
As at 31 March 2023	**1,819.10**
As at 31 March 2022	**1,819.10**
As at 31 March 2021	**1,819.10**

The carrying value of goodwill arose at the time of business purchase of erstwhile APK Automotive and AK Auto Industries amounting to INR 1,819.10 Million, has been tested for impairment annually at each balance sheet date in accordance with the Holding Company's procedure for determining the recoverable amounts of the after market business which is a cash generating unit (CGU). The recoverable amount of CGU is based on value in use. The value in use for Goodwill is determined based on discounted cash flow projections. These calculations uses management assumptions and discounted pre tax cash flow projections based on financial budgets approved by management covering a 5 year period. Cash flow projection beyond 5 years time period are extrapolated using the estimated terminal growth rate. Certain key assumptions considered by the management for impairment testing of CGU are stated below:

- Weighted average cost of capital: 16.20%
- Revenue growth rate: 13%
- Terminal growth rate: 4%

The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

4C Other intangible assets

Gross block	**Distribution Network**	**Computer Software**	**Technical Know How**	**Total**
As at 1 April 2020	**49.30**	**55.87**	**16.06**	**121.23**
Additions	-	0.65	-	0.65
Disposal	-	(0.21)	-	(0.21)
As at 31 March 2021	**49.30**	**56.31**	**16.06**	**121.67**
Additions	-	0.61	-	0.61
Disposal	-	-	-	-
As at 31 March 2022	**49.30**	**56.92**	**16.06**	**122.28**
Additions	-	0.50	0.36	0.86
Disposal	-	-	-	-
As at 31 March 2023	**49.30**	**57.42**	**16.42**	**123.14**
Accumulated Amortisation				
As at 1 April 2020	**9.86**	**30.64**	**9.98**	**50.48**
Charge for the year	4.93	8.47	1.93	15.33
Disposals	-	(0.21)	-	(0.21)
As at 31 March 2021	**14.79**	**38.90**	**11.91**	**65.60**
Charge for the year	4.93	8.02	1.88	14.83
Disposals	-	-	-	-
As at 31 March 2022	**19.72**	**46.92**	**13.79**	**80.43**
Charge for the year	4.92	4.60	1.91	11.43
Disposals	-	-	-	-
As at 31 March 2023	**24.64**	**51.52**	**15.70**	**91.86**
Net Block				
As at 31 March 2023	**24.66**	**5.90**	**0.72**	**31.28**
As at 31 March 2022	**29.58**	**10.00**	**2.27**	**41.85**
As at 31 March 2021	**34.51**	**17.41**	**4.15**	**56.07**

4C.1 The Group does not have any outstanding contractual commitments to purchase any items of intangible assets.

(All amounts are in INR Million, except otherwise stated)

5	**Investments**	**As at 31 March 2023**		**As at 31 March 2022**		**As at 31 March 2021**	
		Nos	**Amount**	**Nos**	**Amount**	**Nos**	**Amount**
	Non current						
	Investments carrying at cost (fully paid up)						
	Unquoted						
	In joint venture						
	ASK Fras-Le Friction Private Limited (face value INR 10 each)	43,120,000	40.41	31,115,000	-	31,115,000	33.95
	Total investments		**40.41**		**-**		**33.95**

5.1 Carrying value of INR 40.41 Million as against investment of INR 431.20 Million due to share of losses in Joint Venture.
5.2 Refer note 35 for information about interest in Joint Venture
5.3 The Holding Company has received an offer letter dated 14th December 2022 from ASK Fras-Le Friction Private Limited, Joint Venture of the Holding Company ('JV') for subscription of its 12,005,000 (Twelve Million Five Thousand) Equity Shares of INR 10/- each. With the consent of the Board, Holding Company has invested an amount of INR 120,050,000 (INR One twenty million Fifty Thousand) in the JV on 21 December 2022 for subscription of its 12,005,000 (Twelve Million Five Thousand) Equity Shares of INR 10/- each, on rights basis.

5A	**Loans**	**As at 31 March 2023**		**As at 31 March 2022**		**As at 31 March 2021**	
		Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
	Loans to related parties						
	Unsecured and considered good, unless otherwise stated						
	Loan to ASK Fras-le Friction Private	26.66	79.99	-	87.70	-	106.65
	Total Loans	**26.66**	**79.99**	**-**	**87.70**	**-**	**106.65**

Loan given is receivable in 4 equal yearly installments of INR 26.66 Million commencing from 20 January 2024 and carries Interest rate of 9% per annum receivable on quarterly intervals.
As at 31 March 2022, Carrying value of Loan has been reduced by INR 18.95 Million. For detailed information, refer note 35.2.

6	**Other financial assets**	**As at 31 March 2023**		**As at 31 March 2022**		**As at 31 March 2021**	
		Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
	Unsecured and considered good, unless otherwise stated						
	Deposits with original maturity for more than 12 months (refer note 12)	-	21.93	-	-	-	2.43
	Security deposits	35.39	78.20	7.37	87.28	0.11	82.21
	Other financial assets#	20.84	-	4.62	-	5.45	-
	Total other financial asset	**56.23**	**100.13**	**11.99**	**87.28**	**5.56**	**84.64**

#This amount includes INR 16.29 Million as at 31 March 2023 towards Initial public offer related transaction costs, which the Holding Company will recover or adjust this amount from the selling shareholders or reserves and surplus in proportion to the offer for sale or fresh issue of equity shares respectively to be decided in due course. Refer note 39 also.

7	**Non-current tax assets (net)**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
	Advance income tax$	6.63	49.51	46.98
	Total non-current tax assets (net)	**6.63**	**49.51**	**46.98**
	$Net of provisions for income tax	702.12	1,118.83	735.95

7A	**Current tax assets (net)**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
	Advance income tax (including TDS and TCS)	0.21	-	-
	Total current tax assets (net)	**0.21**	**-**	**-**

8	**Other assets**	**As at 31 March 2023**		**As at 31 March 2022**		**As at 31 March 2021**	
		Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
	Unsecured, considered good unless otherwise stated						
	Advances to suppliers	38.85	-	14.56	-	6.21	-
	Prepaid expenses	20.39	6.96	17.87	5.52	17.32	2.59
	Capital advances	-	132.55	-	36.59	-	57.02
	Advance to employees	1.35	-	0.62	-	2.45	-
	Balances with government authorities	130.12	0.02	14.52	0.02	10.82	0.22
	GST Recoverable on goods in transit	66.22	-	42.40	-	29.43	-
	Other assets	0.77	-	1.06	-	4.72	-
	Total other assets	**257.70**	**139.53**	**91.03**	**42.13**	**70.95**	**59.83**

9	**Inventories**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
	Valued at lower of cost or net realisable value			
	Raw materials*	315.59	245.65	250.08
	Work-in-progress	372.11	348.10	288.74
	Finished goods**	634.57	490.62	446.44
	Packing material	45.16	39.58	31.81
	Stores and spares including loose tools	168.33	119.74	109.74
	Total Inventories	**1,535.76**	**1,243.69**	**1,126.81**
	*Includes raw material in transit	19.76	7.40	4.69
	**Includes sale of goods in transit	209.56	162.86	215.77

(All amounts are in INR Million, except otherwise stated)

10	Trade receivables	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Unsecured			
	Receivable from related parties (refer note 39)	-	5.48	3.91
	Receivable from others			
	Trade receivables considered good - Unsecured	2,104.46	2,006.13	1,581.92
	Trade receivables - credit impaired	1.60	3.34	4.67
	Total	**2,106.06**	**2,014.95**	**1,590.50**
	Less: Loss allowance	(1.60)	(3.34)	(4.67)
	Total trade receivables	**2,104.46**	**2,011.61**	**1,585.83**

10.1 Trade Receivables ageing schedule
As at 31 March 2023

Particulars	Unbilled	Not Due	Outstanding for following years from due date of payment# Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	140.29	1,656.04	307.49	0.64	-	-	-	2,104.46
(ii) Undisputed Trade Receivables – credit impaired	-	-	0.02	0.31	1.27	-	-	1.60
Total	**140.29**	**1,656.04**	**307.51**	**0.95**	**1.27**	**-**	-	**2,106.06**
Less: Loss allowance	-	-	(0.02)	(0.31)	(1.27)	-	-	(1.60)
Net Trade receivables	**140.29**	**1,656.04**	**307.49**	**0.64**	**-**	**-**	**-**	**2,104.46**

10.2 Trade Receivables ageing schedule
As at 31 March 2022

Particulars	Unbilled	Not Due	Outstanding for following years from due date of payment# Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	249.41	1,601.76	159.95	0.49	0.00	-	-	2,011.61
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	0.39	-	2.95	-	3.34
Total	**249.41**	**1,601.76**	**159.95**	**0.88**	**0.00**	**2.95**	-	**2,014.95**
Less: Loss allowance	-	-	-	(0.39)	-	(2.95)	-	(3.34)
Net Trade receivables	**249.41**	**1,601.76**	**159.95**	**0.49**	**0.00**	**-**	**-**	**2,011.61**

10.3 Trade Receivables ageing schedule
As at 31 March 2021

Particulars	Unbilled	Not Due	Outstanding for following years from due date of payment# Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	348.01	1,086.14	151.67	0.01	-	-	-	1,585.83
(ii) Undisputed Trade Receivables – credit impaired	-	-	-	-	4.67	-	-	4.67
Total	**348.01**	**1,086.14**	**151.67**	**0.01**	**4.67**	-	-	**1,590.50**
Less: Loss allowance	-	-	-	-	**(4.67)**	-	-	**(4.67)**
Net Trade receivables	**348.01**	**1,086.14**	**151.67**	**0.01**	**-**	**-**	**-**	**1,585.83**

#All the Trade receivables of the Group have a due date of payment associated with them.

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.
Refer note 38(B)(I)(a) for details of Group's credit risk policy and exposure.
Refer note 39 for Trade receivables outstanding from related party.

10.4 Trade receivable includes receivable amounting to INR 322.00 Million (31 March 22: INR 352.53 Million, 31 March 21: INR 258.79 Million) from a customer, which are discounted under an arrangement with HDFC Bank Ltd and the customer, where the obligation to pay may arise due to unforeseen event of default by the Holding Company's customer. The Holding company, therefore, recognizes the trade receivables and corresponding borrowing in financial statements till the payment is made by the customer to bank on due date in accordance with the requirements of Ind AS 109, Financial Instruments. Also, refer note 40 of the financial statements for reclassification of prior period balances to conform to such classification.

11	Cash and cash equivalents	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Balance with Banks			
	- In current accounts*	21.69	12.37	184.70
	Cash on hand	0.58	0.65	0.57
	Total cash and cash equivalents	**22.27**	**13.02**	**185.27**

*Includes balance of INR 7.03 Million (31 March 2022: INR 6.56 Million) in unspent CSR expenditure account which is not readily available for use (refer note 31.2)

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of each year.

The Holding company has undrawn borrowing facilities aggregating to INR 680.88 Million (31 March 2022: 1,137.27 Million, 31 March 2021: 1,218.21 Million) for future operating activities. This includes INR 178.00 Million (31 March 2022: INR 147.47 Million, 31 March 2021: INR 241.21 Million) towards sales invoice discounting (refer note 20).

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(All amounts are in INR Million, except otherwise stated)

12	Bank balances other than cash and cash equivalents	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	*Balances with banks:**			
	Deposits with original maturity of less than three months	-	1.02	-
	Deposits with original maturity of more than three months but less than 12 months	0.67	1.62	1.43
	Deposits with original maturity of more than 12 months	22.76	-	2.43
		23.43	2.64	3.86
	Amount disclosed as "Other financial assets" (refer note 6)	(21.93)	-	(2.43)
	Total other bank balances other than cash and cash equivalents	**1.50**	**2.64**	**1.43**

* Margin Money with banks (for guarantees to customers and government authorities) including accrued interest amounting to INR 23.43 Million, (31 March 2022 : INR 2.64 Million, 31 March 2021 : INR 3.86 Million).

There are no repatriation restrictions with regard to other bank balances as at the end of the current year and previous years.

13	Equity share capital	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
		Number	Amount	Number	Amount	Number	Amount
(i)	**Authorised share capital**						
	Equity shares of face value INR 2 each (31 March 2022: INR 2 each, 31 March 2021: INR 2 each)	225,000,000	450.00	225,000,000	450.00	225,000,000	450.00
		225,000,000	**450.00**	**225,000,000**	**450.00**	**225,000,000**	**450.00**
(ii)	**Issued, subscribed and fully paid-up shares**						
	Equity shares of face value INR 2 each (31 March 2022: INR 2 each, 31 March 2021: INR 2 each))	197,142,600	394.29	200,892,600	401.79	203,442,600	406.89
	Total equity share capital	**197,142,600**	**394.29**	**200,892,600**	**401.79**	**203,442,600**	**406.89**

(iii) Reconciliation of the shares outstanding at the beginning and at the end of the year
Equity shares

	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number	Amount	Number	Amount	Number	Amount
Authorised share capital						
At the beginning of the year	225,000,000	450.00	225,000,000	450.00	62,500,000	125.00
Increased during the year	-	-	-	-	162,500,000	325.00
As at the end of the year	**225,000,000**	**450.00**	**225,000,000**	**450.00**	**225,000,000**	**450.00**
Issued, subscribed and paid-up share capital						
At the beginning of the year	200,892,600	401.79	203,442,600	406.89	50,860,650	101.72
Bonus Share issued during the year (refer note (vi) below)	-	-	-	-	152,581,950	305.17
Buyback of Shares (refer note (vii) below)	(3,750,000)	(7.50)	(2,550,000)	(5.10)	-	-
As at the end of the year	**197,142,600**	**394.29**	**200,892,600**	**401.79**	**203,442,600**	**406.89**

(iv) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having face value of INR 2 per share. All the existing equity shares rank pari passu in all respects including but not limited to entitlement for dividend, bonus issue and right issue. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after settling of all liabilities, in proportion to their shareholding.

(v) Details of shareholders holding more than 5% shares in the Holding Company

Equity shares of face value INR 2 each	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Number	% of Holding	Number	% of Holding	Number	% of Holding
Mr. Kuldip Singh Rathee	81,488,400	41.33%	85,238,400	42.43%	87,788,400	43.15%
Mrs. Vijay Rathee	63,676,200	32.30%	63,676,200	31.70%	63,676,200	31.30%
Mr. Prashant Rathee	28,187,999	14.30%	28,188,000	14.03%	28,188,000	13.86%
Mr. Aman Rathee	23,789,998	12.07%	23,790,000	11.84%	23,790,000	11.69%
	197,142,597	**100.00%**	**200,892,600**	**100.00%**	**203,442,600**	**100.00%**

(vi) Aggregate number of equity shares issued as bonus and shares issued for consideration other than cash for the year of five years immediately preceding the reporting date.

Equity shares of face value INR 2 each	For the year ended					
	31 March 2023	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
Equity shares allotted as fully paid bonus shares by capitalization of reserves						
- number of shares	-	-	152,581,950	-	-	42,353,000

(vii) During the year ended 31 March 2023, with the approval of the Board of Directors accorded , the Holding Company offered buyback of 3,750,000 (Three million seven hundred and fifty thousand only) fully paid-up equity shares of Face Value of INR 2/- (Two only) each at a price of INR 240/- (Two hundred and forty only) per Equity share, on a proportionate basis through the tender offer process. The buyback procedure was completed in September 2022, which resulted in a total cash outflow of INR 900.00 Million (excluding tax on buy back). In accordance with the requirement of the Companies Act, 2013, the amount of INR 900.00 Million has been adjusted from retained earnings. Consequent to such buyback, the Holding Company extinguished 3,750,000 equity shares, the paid-up equity share capital of the Holding Company was reduced by INR 7.50 Million and capital redemption reserve of INR 7.50 Million (representing the nominal value of the shares bought back) has been created out of retained earnings.

During the year ended 31 March 2022, with the approval of the Board of Directors accorded , the Holding Company offered buyback of 2,550,000 (Two million five hundred and fifty thousand only) fully paid-up equity shares of Face Value of INR 2/- (Two only) each at a price of INR 235/- (Two hundred and thirty five only) per Equity share, on a proportionate basis through the tender offer process. The buyback procedure was completed in September, 2021, which resulted in a total cash outflow of INR 599.25 Million (excluding tax on buy back). In accordance with the requirement of the Companies Act, 2013, the amount of INR 599.25 Million has been adjusted from retained earnings. Consequent to such buyback, the Holding Company extinguished 2,550,000 equity shares, the paid-up equity share capital of the Holding Company was reduced by INR 5.10 Million and capital redemption reserve of INR 5.10 Million (representing the nominal value of the shares bought back) has been created out of retained earnings.

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(All amounts are in INR Million, except otherwise stated)

(viii) Equity Shareholding of Promoters

Shares held by promoters at the end of the year*	As at 31 March 2023		
Promoter's name	**Number of Shares**	**% of total shares**	**% Change during the year**
Mr. Kuldip Singh Rathee	81,488,400	41.33%	(4.40)%
Mrs. Vijay Rathee	63,676,200	32.30%	0.00%
	145,164,600	**73.63%**	

Shares held by promoters at the end of the year*	As at 31 March 2022		
Promoter's name	**Number of Shares**	**% of total shares**	**% Change during the year**
Mr. Kuldip Singh Rathee	85,238,400	42.43%	(2.90)%
Mrs. Vijay Rathee	63,676,200	31.70%	0.00%
	148,914,600	**74.13%**	

Shares held by promoters at the end of the year	As at 31 March 2021		
Promoter's name	**Number of Shares**	**% of total shares**	**% Change during the year**
Mr. Kuldip Singh Rathee	87,788,400	43.15%	300.00%
Mrs. Vijay Rathee	63,676,200	31.30%	300.00%
Mr. Aman Rathee	23,789,998	11.69%	300.00%
Mr. Prashant Rathee	28,187,999	13.86%	300.00%
	203,442,597	**100.00%**	

Promoters for the purpose of this disclosure means promoters as defined under section 2(69) of the Companies Act, 2013.

* As per Annual Return i.e. Form MGT-7 dated 08 December 2022, filed by the Holding Company with the Ministry of Corporate Affairs for the year ended 31 March 2022, there has been a change in the list of promoters. Basis the mentioned Annual Return, Mr. Prashant Rathee and Mr. Aman Rathee are no longer the promoters of the Holding Company for the year ended 31 March 2023 and 31 March 2022.

14 Other equity	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
General reserve			
Balance at the beginning of the year	1.00	1.00	1.00
Add/ Less: Movement during the year	-	-	-
	1.00	**1.00**	**1.00**
Capital redemption reserve			
Balance at the beginning of the year	5.90	0.80	0.80
Add: Additions (refer note 13 (vii))	7.50	5.10	-
	13.40	**5.90**	**0.80**
Securities premium			
Balance at the beginning of the year	9.41	9.41	9.41
Add/ Less: Movement during the year	-	-	-
	9.41	**9.41**	**9.41**
Retained earnings@			
Balance at the beginning of the year	5,900.98	5,804.15	5,075.36
Add: Profit for the year	1,229.53	826.59	1,062.02
Add: Other comprehensive income	(0.13)	9.32	(4.37)
Less: Interim dividend	-	-	(20.34)
Less: Bonus shares issued during the year	-	-	(305.17)
Less: Transferred to Capital Redemption Reserve (refer note 13 (vii))	(7.50)	(5.10)	-
Less: Buyback of Shares (refer note 13 (vii))	(892.50)	(594.15)	-
Less: Income Tax on buyback of shares	(209.67)	(139.60)	-
Less: Bonus shares issue expenses	-	-	(0.41)
Less: Expenses for increase in authorised share capital*	(1.10)	(0.23)	(2.93)
	6,019.61	**5,900.98**	**5,804.16**
Total other equity	**6,043.42**	**5,917.29**	**5,815.36**

@This includes balance of INR 11.87 Million (31 March 2022: INR 11.99 Million , 31 March 2021: INR 2.68 Million) arising on account of gain/(loss) booked on remeasurement of post employment benefits obligation through other comprehensive income.

*This amount represents expenses for the increase in authorised share capital of the Joint Venture, Subsidiary Company and Holding Company during the year ended 31 March 2023, 31 March 2022 and 31 March 2021 respectively.

14.1 Nature and purpose of other equity

- General reserve: This represents appropriation of profit by the Group and is available for distribution of dividend.

- Capital redemption reserve: This represents (i) non-distributable reserve created as per provisions of section 55 of the Companies Act, 2013 on redemption of 0% Non convertible redeemable preference shares redeemed during the year ended 31 March 2018 (ii) Amount transferred to capital redemption reserve as per provisions of section 68 of the Companies Act, 2013 on Buy back of equity shares during the years ended 31 March 2023 and 31 March 2022.

- Securities premium: This represents premium received on issue of shares, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified

- Retained earnings: This represents the net profits after all distributions and transfers to other reserves.

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(All amounts are in INR Million, except otherwise stated)

15	**Borrowings (non-current)**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
	Secured borrowings			
	Term loan			
	From banks (note (i) to (v))	1,886.86	997.80	540.15
	From others (note (vi))	431.35	199.95	-
	Total borrowings	**2,318.21**	**1,197.75**	**540.15**
	Less: Current maturities of long term borrowings (included in note 20)	229.74	174.26	113.45
	Net borrowings (non-current)	**2,088.47**	**1,023.49**	**426.70**

Note :- Borrowings taken from Banks and others have been utilised for the purpose for which they were sanctioned and availed.

Interest rates, repayment and other terms of the borrowings:

Term Loans

	Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
(i)	Kotak Mahindra Bank Limited: Term Loan INR 500 Million, sanctioned and availed by Holding Company, for purchase of Plant and Machinery and Construction of Building at Plot No.13-14, Sector-5, IMT Manesar, Gurgaon-122050 (Haryana) and was secured by exclusive charge on movable fixed assets acquired out of this loan. This Loan was also secured by Exclusive charge over immovable property being land and building situated at Plot No.28, Sector-4, Plot No. 155-156, Sector-5 and Plot No. 13-14, Sector-5, IMT Manesar, Gurgaon (Haryana). This Loan was also secured by personal guarantee of Mr. K.S. Rathee, Mrs. Vijay Rathee, Mr. Prashant Rathee and Mr. Aman Rathee, being Directors of the Holding Company as at 31 March 2021. The loan was disbursed in January 2019 with a moratorium period of 6 months repayable in 54 monthly installments and has been repaid in December 2022. Rate of interest is 3 months MCLR (31 March 2022: 3 months MCLR, 31 March 2021: 3 months MCLR+ spread).	-	176.80	340.15
(ii)	Kotak Mahindra Bank Limited: Working Capital Term Loan INR 270 Million to Holding Company is sanctioned and availed under Emergency Credit Line Guarantee Scheme of National Credit Guarantee Trustee Company Ltd. (NCGTC) and is secured by way of second hypothecation charge on all existing and future current assets and movable fixed assets excluding assets exclusively financed by Term lenders and second hypothecation charge on immovable property being land and building situated at Plot No. 66 & 67, Udyog Vihar, Phase-I, Gurgaon (Haryana) . The said loan is also secured by second hypothecation charge on movable fixed assets acquired for Plant situated at Plot No. 13-14, Sector-5, IMT Manesar and second charge over immovable property (Industrial) being land and building situated at Plot No.28, Sector-4, Plot No. 155-156, Sector-5 and Plot No. 13-14, Sector-5, IMT Manesar, Gurgaon-122050 (Haryana). Out of sanctioned loan amount , INR 200 Million was disbursed in March 2021 and INR 69.88 Million disbursed in December 2021 with a tenor of 5 years with a moratorium period of 1 year from the date of first disbursement and will be repaid on monthly basis by March 2026. Rate of interest is Repo Rate + <Spread> As at 31 March 2023, 31 March 2022 and 31 March 2021.	211.80	269.88	200.00
(iii)	Kotak Mahindra Bank Limited: Working Capital Term Loan INR 130 Million to Holding Company is sanctioned and availed under Emergency Credit Line Guarantee Scheme of National Credit Guarantee Trustee Company Ltd. (NCGTC) and is secured by way of second exclusive charge on all existing and future current assets and movable fixed assets excluding assets exclusively financed by Term lenders and second exclusive charge on moveable fixed assets of the borrower acquired with the proceeds of working capital term loan (WCTL). This loan is also secured by second charge on immovable property being land and building situated at Plot No. 66 & 67, Udyog Vihar, Phase-I, Gurgaon (Haryana), second exclusive charge on immovable property being land and building situated at Plot No. 13-14, Sector-5, IMT Manesar , second exclusive charge on immovable property being land and building situated at Plot No.28, Sector-4 and second exclusive charge on immovable property being land and building situated at Plot No. 155-156, Sector-5 , Gurgaon, Haryana. The loan was disbursed in March 2023 with a tenor of 6 years with a moratorium period of 2 year from the date of first disbursement and will be repaid on monthly basis by March 2029. Rate of interest is 3 Month MCLR.	130.00	-	-
(iv)	Kotak Mahindra Bank Ltd.: Term Loan INR 1740 Million sanctioned and availed by Subsidiary Company for the capital expenditure related to plant at Alwar, Rajasthan and is secured by first and exclusive hypothecation charge on all existing and future current assets and moveable fixed assets of the Company. The said loan is also secured by first and exclusive charge on immoveable properties being land and building situated at Plot No- SP4-315, Industrial Area, Karoli. This loan is also secured by corporate guarantee of Holding Company. The loan is having tenure of maximum 7 years with moratorium of max 6 months from the date of commercial operations (max moratorium allowed is 2 years from the date of first disbursement). Rate of interest is Repo + 1.80 per annum As at 31 March 2023 and 31 March 2022.	1,285.06	551.12	-
(v)	Kotak Mahindra Bank Ltd.: Term loan INR 400 Million sanctioned and availed by Subsidiary Company for the capex related to plant at Bangalore, Karnataka and is secured by first and exclusive hypothecation charge on moveable fixed assets financed out of this term loan at Bangalore, Karnataka Plant. This loan is also secured by corporate guarantee of Holding Company. The loan is having tenure of maximum 66 months including moratorium of maximum 6 months from the date of first disbursement and will be repaid on quarterly installment basis by September 2028. Rate of interest is 3 Month MCLR.	260.00	-	-
(vi)	Bajaj Finance Limited: Term Loan INR 550 Million is sanctioned and availed by Holding Company for reimbursement of expenditure on plant and machinery , out of which INR 200 Million was disbursed in March 2022 with a tenor of 5 years including 1 year moratorium , repayment will be in monthly installments starting from May 2023 and ending in April 2027. The loan is secured by exclusive charge over plant and machinery reimbursed out of the said loan. Rate of interest is 7.75% p.a. Further, INR 170 Million was disbursed in January 2023 with a tenor of 5 years including 1 year moratorium , repayment will be in monthly installments starting from May 2023 and ending in June 2027. The loan is secured by exclusive charge over plant and machinery reimbursed out of the said loan. Rate of interest is 8.75% p.a. Further, INR 61.40 Million was disbursed in March 2023 with a tenor of 5 years including 1 year moratorium , repayment will be in monthly installments starting from May 2023 and ending in June 2027. The loan is secured by exclusive charge over plant and machinery reimbursed out of the said loan. Rate of interest is 8.75% p.a. In addition, financial covenants to be maintained during the tenure of the loan are 1) External Debt/ EBIDTA (ED/ EBIDTA): not more than 2x and 2) External Debt/ Tangible net worth (ED/ TNW) not more than 1.25x .	431.35	199.95	-
	Total Secured borrowings (Non-Current)	**2,318.21**	**1,197.75**	**540.15**

Note:-The Holding Company had taken Moratorium on Term Loan installments and Interest from Kotak Mahindra Bank for period from 01 April 2020 to May 2020 as per announcement made by Reserve Bank of India via circular "RBI/2019-20/186" dated 27 March 2020 and accordingly the current maturity of term loan has been adjusted.

(All amounts are in INR Million, except otherwise stated)

16	**Lease Liabilities**	**As at 31 March 2023**		**As at 31 March 2022**		**As at 31 March 2021**	
		Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
	Lease liability (refer note 44)	72.18	26.52	68.23	87.31	10.27	32.48
	Total Lease liabilities	**72.18**	**26.52**	**68.23**	**87.31**	**10.27**	**32.48**

17	**Provisions**	**As at 31 March 2023**		**As at 31 March 2022**		**As at 31 March 2021**	
		Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
	Provision for employee benefits						
	Provision for gratuity (refer note 17.1)	52.22	212.84	38.28	198.34	23.55	195.98
	Provision for compensated absences	20.00	43.67	17.15	42.00	13.93	46.98
	Total provisions	**72.22**	**256.51**	**55.43**	**240.34**	**37.48**	**242.96**

17.1 **Defined benefit plan and long term employment benefit**

A **General description:**

Gratuity (Defined benefit plan):

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded. Actuarial gains or losses are recognised in other comprehensive income.

Compensated absence (other long term employee benefits):

The employees of the Group are entitled to leave as per the leave policy of the Group. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. The expense related to compensated absences are recognised in consolidated statement of profit and loss as employee benefits expense.

B **A reconciliation of the Groups' defined benefit obligation (DBO) and plan assets, i.e. the gratuity plan, to the amounts presented in the statement of financial position for each of the reporting years is presented below:**

	As at 31 March 2023	**As at 31 March 2022**	**As at 31 March 2021**
Assets and liability (Balance Sheet position)			
Present value of obligation	265.06	236.62	219.53
Fair value of plan assets	-	-	-
Net liability	**265.06**	**236.62**	**219.53**

C **Expenses recognised during the year ***

	For the year ended 31 March 2023	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
In income statement	40.89	41.05	36.93
In other comprehensive income	(0.72)	(12.66)	5.95
Total expenses recognised during the year	**40.17**	**28.39**	**42.88**

* During the year ended 31 March 2023, the expense recognised in the restated consolidated statement of profit and loss is lower by INR 2.07 Million vis-a-vis the actuarial valuation report on account of transfer of employees within the Group Companies.

D **Defined benefit obligation**

The details of the Groups' defined benefits obligations are as follows:

Changes in the present value of obligation

	For the year ended 31 March 2023	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Present value of obligation as at the beginning	236.62	219.53	183.16
Current service cost	26.91	27.01	24.94
Interest expense	15.84	14.04	11.99
Past service cost, including losses/(gains) on curtailments	0.21	-	-
Re-measurement or actuarial (gain) / loss arising from:			
- change in demographic assumptions	(2.29)	(6.23)	4.07
- change in financial assumptions	(9.83)	(5.97)	15.43
- experience adjustments	11.40	(0.46)	(13.55)
Benefits paid	(13.80)	(11.30)	(6.51)
Present value of obligation as at year end	**265.06**	**236.62**	**219.53**

E **Bifurcation of net liability**

	As at 31 March 2023	**As at 31 March 2022**	**As at 31 March 2021**
Current liability	52.22	38.28	23.55
Non-current liability	212.84	198.34	195.98
Net liability	**265.06**	**236.62**	**219.53**

F **Expenses recognised in the consolidated statement of profit and loss**

	For the year ended 31 March 2023	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Current service cost	26.91	27.01	24.94
Net interest cost on the net defined benefit liability	15.84	14.04	11.99
Expenses recognised in the consolidated statement of profit and loss	**42.75**	**41.05**	**36.93**

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(All amounts are in INR Million, except otherwise stated)

G Other comprehensive income

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial (gains) / losses			
- change in demographic assumptions	(2.29)	(6.23)	4.07
- change in financial assumptions	(9.83)	(5.97)	15.43
- experience variance	11.40	(0.46)	(13.55)
Components of defined benefit costs recognised in other comprehensive income	**(0.72)**	**(12.66)**	**5.95**

H Financial assumptions: The principal financial assumptions used in the valuation are shown in the table below:

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Discount rate (per annum)	7.30%	6.70%	6.40%
Salary growth rate (per annum)	9.00%	9.00%	9.00%

I Demographic assumptions

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Mortality rate (% of IALM 2012-14)	100.00%	100.00%	100.00%
Withdrawal rate (all ages)	16.00%	13.00%	9.00%

These assumptions were developed by management with the assistance of independent actuary. Discount factors are determined close to each year-end by reference to market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

J Sensitivity analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting year, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Defined benefit obligation (Base)	265.06	236.62	219.53

	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Decrease	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount rate (- / + 1%)	279.23	252.19	252.32	222.60	239.32	202.34
(% change compared to base due to sensitivity)	5.36%	(4.85%)	6.64%	(5.92%)	9.02%	(7.83%)
Salary growth rate (- / + 1%)	253.58	277.08	224.19	249.86	204.21	236.13
(% change compared to base due to sensitivity	(4.33%)	4.53%	(5.25%)	5.60%	(6.98%)	7.56%
Attrition rate (- / + 50% of attrition rate)	272.96	260.97	248.51	230.60	233.41	211.49
(% change compared to base due to sensitivity)	2.98%	(1.54%)	5.03%	(2.54%)	6.33%	(3.66%)

The change in defined benefit obligation due to 1% increase/decrease in mortality rate, if all other assumptions remain constant is negligible.
The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
There is no change in the method of valuation for the prior years.

K The following is expected maturity profile of defined benefit payments in future years:

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Duration of defined benefit payments (valued on undiscounted basis)			
Within the next 12 months (next annual reporting year)	52.22	38.28	23.55
Between 2 and 5 years	145.72	109.03	78.00
Beyond 5 years	215.10	244.53	319.60
Total expected payments	**413.04**	**391.84**	**421.15**

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 5 years (31 March 2022: 6 years) (31 March 2021: 8 years)

18 Other liabilities	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
Deferred Government Grant	1.41	-	25.16	-	27.78	-
Advances from customers	118.05	-	67.46	-	41.80	-
Statutory dues payable	253.46	-	269.98	-	163.34	-
Other liabilities (advance for assets held for sale)	-	-	-	-	0.60	-
Total other liabilities	**372.92**	**-**	**362.60**	**-**	**233.52**	**-**

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(All amounts are in INR Million, except otherwise stated)

19	**Deferred tax liabilities (net)**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
	Amount Attributable to:			
	Property, plant and equipment and	367.19	378.85	380.69
	Provision for compensated absences	(16.01)	(14.88)	(15.33)
	Provision for gratuity	(66.64)	(59.55)	(55.25)
	Provision for bonus	(4.54)	(6.49)	(2.94)
	Other temporary differences	(0.39)	(0.79)	(1.12)
	Total deferred tax liabilities (net)	**279.61**	**297.14**	**306.05**

19.1 Movement in deferred tax liabilities

Particulars	As at 31 March 2023	Statement of profit and loss for the year ended 31 March 2023	Other Comprehensive Income for the year ended 31 March 2023	As at 31 March 2022	Statement of profit and loss for the year ended 31 March 2022	Other Comprehensive Income for the year ended 31 March 2022	As at 31 March 2021	Statement of profit and loss for the year ended 31 March 2021	Other Comprehensive Income for the year ended 31 March 2021
Non-current assets									
Property, plant and equipment and intangible assets	367.19	(11.66)	-	378.85	(1.84)	-	380.69	(10.69)	-
Provisions									
Provision for compensated absences	(16.01)	(1.12)	-	(14.88)	0.45	-	(15.33)	(1.33)	-
Provision for gratuity	(66.64)	(7.28)	0.18	(59.55)	(7.49)	3.19	(55.25)	(7.65)	(1.50)
Provision for bonus	(4.54)	1.95	-	(6.49)	(3.55)	-	(2.94)	5.47	-
Other liabilities									
Others	(0.39)	0.40	-	(0.79)	0.33	-	(1.12)	2.63	-
Total	**279.61**	**(17.71)**	**0.18**	**297.14**	**(12.10)**	**3.19**	**306.05**	**(11.57)**	**(1.50)**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Deferred tax credit to restated consolidated statement of profit and loss account	(17.71)	(12.10)	(11.57)
Deferred tax charged/(credit) in Other Comprehensive Income	0.18	3.19	(1.50)
Total	**(17.53)**	**(8.91)**	**(13.07)**

20	**Borrowings (Current)**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
	Loan repayable on demand			
	Secured			
	Working capital loans (note (i) to (iv))	539.90	47.65	-
	Current maturities of long term borrowing (refer note 15)	229.74	174.26	113.45
	Unsecured			
	Borrowings on account of sales invoice discounting (refer note 20.1)	322.00	352.53	258.79
	Borrowings (current)	**1,091.64**	**574.44**	**372.24**

Interest rates and repayment terms of the borrowings:

	Working Capital Loan from banks	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
(i)	**HDFC Bank Limited:** Working Capital facility, availed by Holding Company, is secured by first pari passu charge on current assets and movable fixed assets of the Holding Company both present and future excluding assets exclusively financed by term lenders. The said loan is also secured by first pari passu charge on immovable property being land and building at Plot No. 66-67, Udyog Vihar Phase-I, Gurgaon (Haryana). In addition, financial covenants to be maintained during the tenure of the loan are 1) Total outside liability/ Tangible net worth (TOL/ TNW): less than 1.00x and 2) Current Ratio: more than 1.00x .	183.92	21.67	-
(ii)	**Kotak Mahindra Bank Limited:** Working capital facility, availed by Holding Company. is secured by first pari passu hypothecation charge on all existing and future current assets and all existing and future movable fixed assets excluding assets exclusively financed by term lenders. The said loan is also secured by first pari pasu mortgage charge on immovable property being land and building situated at Plot No. 66-67, Udyog Vihar Phase-I, Gurgaon (Haryana).This Loan was also secured by personal guarantee of Mr. K.S. Rathee and Mrs. Vijay Rathee, being Directors of the Holding Company as at 31 March 2021 **.**	80.43	17.15	-
(iii)	**Axis Bank Limited:** Working Capital facility, availed by Holding Company, from Axis Bank Limited is secured by way of first pari passu hypothecation charge on entire current assets and movable fixed assets (excluding assets exclusively financed by term lenders) both present and future of the company. The said loan is also secured by first pari pasu charge by way of equitable mortgage on immovable property being land and building situated at Plot No. 66-67, Udyog Vihar Phase-I, Gurgaon (Haryana).This Loan was also secured by personal guarantee of Mr. K.S. Rathee, Mrs. Vijay Rathee, Mr. Prashant Rathee and Mr. Aman Rathee, being Directors of the Holding Company as at 31 March 2020. During the year ended 31 March 2021, the said personal guarantees of directors were withdrawn and existing collateral security in the form of first pari passu charge by way of equitable mortgage on immoveable property being land and building at Plot No. 66 & 67, Udyog Vihar, Phase-I, Gurgaon (Haryana) was given as Primary security. During the year ended 31 March 2021 , the working capital facility limits were available to the company, however the amount outstanding as on balance sheet date was NIL.	218.75	8.63	-
(iv)	**Citi Bank N.A. :** Working capital facility, availed by Holding Company, is secured by First pari passu charge on present and future stocks and book debts and first pari passu charge on all movable fixed assets of the Company except the assets which are exclusively charged to any lender for term loan facility. The said loan is also secured by way of equitable mortgage on land & building located at Plot No. 66-67, Udyog Vihar Phase-I, Gurgaon (Haryana). The said loan was also secured by personal guarantees of Mr. K.S. Rathee and Mrs. Vijay Rathee, directors of the Holding Company. During the year ended 31 March 2021, the said personal guarantees of directors were withdrawn. During the year ended 31 March 2021, the working capital facility limits were available to the company, however the amount outstanding as on balance sheet date was NIL.	56.80	0.20	-
	Total Working capital loans from banks	**539.90**	**47.65**	**-**

20.1 Borrowings on account of sales invoice discounting represents invoices discounted from HDFC Bank Limited. Also, refer note 40 of these financial information.

(All amounts are in INR Million, except otherwise stated)

21	Trade payables	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
	Total outstanding dues of micro enterprises and small enterprises (refer note 21.1)	431.96	317.49	164.90
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,266.57	1,469.55	1,328.80
	Total outstanding dues to related parties (refer note 39)	-	1.38	-
	Total trade payables	**1,698.53**	**1,788.42**	**1,493.70**

21.1 **Disclosures under Micro, Small and Medium Enterprises Development Act, 2006**

The micro enterprises and small enterprises (MSME) have been identified by the Group from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

	Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
(i)	Details of dues to micro and small enterprises as per MSMED Act, 2006 the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
	- principal amount	431.96	317.49	164.90
	- interest amount	Nil	Nil	Nil
(ii)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
(iii)	The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	Nil	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil	Nil

21.2 **Trade payables- Ageing Schedule****

As at 31 March 2023

Particulars	Unbilled	Not Due	Outstanding for following years from due date of payment#				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	427.46	4.50	-	-	-	431.96
(ii) Others	299.26	857.52	107.62	2.12	0.05		1,266.57
Total	**299.26**	**1,284.98**	**112.12**	**2.12**	**0.05**	**-**	**1,698.53**

21.3 **Trade payables- Ageing Schedule****

As at 31 March 2022

Particulars	Unbilled	Not Due	Outstanding for following years from due date of payment#				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	317.49	-	-	-	-	317.49
(ii) Others	444.87	934.25	91.20	0.05	0.56	-	1,470.93
Total	**444.87**	**1,251.74**	**91.20**	**0.05**	**0.56**	**-**	**1,788.42**

21.4 **Trade payables- Ageing Schedule****

As at 31 March 2021

Particulars	Unbilled	Not Due	Outstanding for following years from due date of payment#				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	164.90	-	-	-	-	164.90
(ii) Others	397.96	828.50	94.87	2.07	4.98	0.42	1,328.80
Total	**397.96**	**993.40**	**94.87**	**2.07**	**4.98**	**0.42**	**1,493.70**

#All the Trade payables of the Group have a due date of payment associated with them.
**The Company does not have any disputed outstanding balances.

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(All amounts are in INR Million, except otherwise stated)

22	**Other financial liabilities carried at amortised cost**	**As at 31 March 2023**		**As at 31 March 2022**		**As at 31 March 2021**	
		Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
	Capital creditors*	223.39	-	68.86	-	45.03	-
	Interest accrued	13.02	-	4.75	-	2.46	-
	Employee related payable	137.54	-	122.76	-	30.92	-
	Security deposit received	11.85	-	11.72	-	11.56	-
	Others liabilities	1.84	-	4.17	-	4.29	-
	Total other financial liabilities	**387.64**	**-**	**212.26**	**-**	**94.26**	**-**

* Includes INR Nil, (31 March 2022 : INR 1.37 Million), (31 March 2021 : INR Nil), payable to related parties.

22.1	**Capital creditors**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
	Total outstanding dues of micro enterprises and small enterprises (refer note 22.2)	38.15	12.88	1.63
	Total outstanding dues of creditors other than micro enterprises and small enterprises	185.24	55.98	43.40
	Total Capital creditors	**223.39**	**68.86**	**45.03**

22.2 **Disclosures under Micro, Small and Medium Enterprises Development Act, 2006 for Capital creditors**

The micro enterprises and small enterprises have been identified by the Group from the available information. According to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:

	Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
(i)	Details of dues to micro and small enterprises as per MSMED Act, 2006 the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year			
	- principal amount	38.15	12.88	1.63
	- interest amount	Nil	Nil	Nil
(ii)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil
(iii)	The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	Nil	Nil	Nil
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil	Nil

23	**Current tax liabilities (net)**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2021**
	Opening provision for income tax	26.89	10.61	-
	Provision created during the year	485.37	318.72	384.51
	Tax paid during the year	(484.13)	(302.44)	(373.89)
	Total current tax liabilities (net)	**28.13**	**26.89**	**10.62**

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(All amounts are in INR Million, except otherwise stated)

24	**Revenue from operations**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
	Revenue from operations			
	Sale of Products	25,189.24	19,933.39	15,257.44
	Sale of services	83.27	29.53	73.34
	Other operating revenue			
	Duty drawback and export benefits	20.37	24.84	19.91
	Scrap sales	258.79	143.07	89.23
	Total revenue from operations	**25,551.67**	**20,130.83**	**15,439.92**

The revenue from customers (having more than 10% of total revenue) during the year is INR 15,446.50 Million (31 March 2022: INR 11,929.47 Million), (31 March 2021: INR 9,855.29 Million), arising from sale of products and services.
Revenue is mainly derived from three customers which account for 34.52% (31 March 2022: 34.22%, 31 March 2021: 31.93%), 15.57% (31 March 2022: 13.45%, 31 March 2021: 11.67%) and 10.74% (31 March 2022: 11.71%, 31 March 2021:10.69%) of the Holding Company respectively arising from sale of products and services.
Refer note 46 for detailed disclosure.

25	**Other income**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
	Interest income on financial assets carried at amortised cost			
	Bank deposits	6.47	0.18	0.14
	Unsecured loans	9.60	9.60	9.60
	Others	2.35	4.62	5.73
	Interest income on security deposits measured at fair value	1.98	1.83	2.39
	Foreign exchange gain (net)	26.16	19.52	7.68
	Profit on sale of property, plant and equipment (net)	3.63	0.26	1.76
	Profit on sale of asset held for sale	0.60	-	
	Government grant	28.43	24.75	29.41
	Rental income	0.06	-	-
	Dividend on shares	-	-	4.14
	Excess liability / provision written back	13.84	39.32	8.16
	Profit on sale of current Investments	-	-	159.97
	Miscellaneous income	18.00	11.69	8.77
	Total other income	**111.12**	**111.77**	**237.75**

26	**Cost of material consumed**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
	Raw material consumed*			
	At the beginning of year	285.23	281.89	246.46
	Add: Purchases during the year	18,061.31	14,041.41	10,189.85
	Less: At the end of the year	360.75	285.23	281.89
	Total cost of material consumed	**17,985.79**	**14,038.07**	**10,154.42**

*Includes Packing Material also

27	**Changes in inventories of finished goods and work-in-progress**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
	Opening balance			
	Finished goods	490.62	446.44	296.89
	Work-in-progress	348.10	288.74	265.71
	Total opening balance	**838.72**	**735.18**	**562.60**
	Closing Balance			
	Finished goods	634.57	490.62	446.44
	Work-in-progress	372.11	348.10	288.74
	Total closing balance	**1,006.68**	**838.72**	**735.18**
	Total changes in inventories of finished goods and work-in-progress	**(167.96)**	**(103.54)**	**(172.58)**

28	**Employee benefits expense**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
	Salaries, wages and bonus	1,189.42	1,047.65	871.11
	Contribution to provident fund and other funds (refer note 28.1)	60.82	55.98	46.64
	Gratuity (refer note 17.1)	40.89	41.05	36.93
	Compensated absences	8.87	1.28	7.32
	Staff welfare expenses	93.65	81.06	60.55
	Total employee benefits expense	**1,393.65**	**1,227.02**	**1,022.55**

28.1 **Defined contribution plan**

The Group has certain defined contribution plans. The contributions are made to provident fund in India for employees at the prescribed rates of the basic salary as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The contributions are made to recognised provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.
The expense recognised during the year towards the defined contribution plan is INR 56.92 Million (31 March 2022: INR 51.96 Million, 31 March 2021: INR 42.58 Million).

(All amounts are in INR Million, except otherwise stated)

29	Finance costs	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	Interest			
	Interest expenses on financial liabilities measured at amortised cost	101.76	64.47	95.75
	Interest on delayed payment of statutory dues	0.37	1.99	4.06
	Interest on lease liability	8.66	12.96	6.01
	Others			
	Other borrowing cost	1.11	1.40	2.69
	Total finance costs	**111.90**	**80.82**	**108.51**

30	Depreciation and amortisation expense	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	Depreciation of property, plant and equipment (refer note 3)	527.33	476.22	441.27
	Amortisation of other intangible assets (refer note 4C)	11.44	14.83	15.33
	Amortisation of right of use assets (refer note 4A)	68.28	68.05	62.33
	Total depreciation and amortisation expense	**607.05**	**559.10**	**518.93**

31	Other expenses	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	Power and fuel	928.20	744.10	603.49
	Consumption of stores and spares	545.67	464.10	363.19
	Job Work Charges	456.12	368.15	226.21
	Contractual labour charges	1,279.62	1,104.23	897.90
	Freight and forwarding	313.29	250.21	192.72
	Rent expenses	26.41	22.15	15.66
	Rates and taxes	9.99	4.48	10.19
	Repair and maintenance			
	- Plant and machinery	42.80	29.89	22.69
	- Building	24.61	17.30	11.08
	- Others	28.29	24.86	22.41
	Sales and promotion expenses	35.77	10.28	10.21
	Travelling and conveyance	49.99	29.06	18.28
	Telephone and communication expenses	5.48	4.80	4.50
	Insurance	25.27	22.34	18.20
	Security expenses	37.67	37.16	35.41
	Legal and professional expenses	97.12	57.91	57.91
	Payment to auditor (refer note 31.1)	5.62	4.10	4.99
	Testing expenses	8.94	7.83	6.41
	Royalty	22.94	14.51	14.72
	Provision for doubtful debts	1.21	-	4.67
	Running and maintenance of vehicle	13.19	11.24	8.87
	Amount written off	2.07	-	-
	Property, plant and equipment discarded	4.11	0.01	5.47
	Corporate social responsibility expenditure (refer note 31.2)	27.51	31.31	30.24
	Miscellaneous expenses	31.16	22.24	23.38
	Total other expenses	**4,023.05**	**3,282.26**	**2,608.80**

31.1	Payment to auditor (excluding Goods and Services tax wherever applicable)	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	As auditor			
	Audit Fees	4.95	3.80	3.80
	Other Services	0.34	0.19	1.10
	Out of pocket expenses	0.33	0.11	0.09
		5.62	**4.10**	**4.99**

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(All amounts are in INR Million, except otherwise stated)

31.2 Corporate social responsibility expenditure

In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Holding Company had constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives. During the audit year, Holding Company has contributed following sums towards CSR initiatives.

Details of CSR expenditure incurred during the year is outlined below:	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Amount required to be spent as per section 135 of the Act	27.51	31.31	30.24
Amount spent during the year on:			
(i) Construction/acquisition of an asset	-	-	-
(ii) On purposes other than (i) above	21.54	30.06	10.18
Shortfall@	**5.97**	**1.25**	**20.06**

@ The shortfall for the year ended 31 March 2023: INR 5.97 Million, 31 March 2022: INR 1.25 Million, 31 March 2021: INR 20.06 Million forms part of the ongoing projects.

Details of expenditure incurred	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Contribution to a Trust ("AHSAAS") promoted by the Holding Company for its CSR activities towards promoting healthcare including preventive healthcare, promoting education, empowering women and other activities as defined under section 135 of the Companies Act, 2013	6.32	24.48	10.16
Expenditure directly incurred by the Holding Company	15.22	5.58	0.02
Total expense incurred by the Holding Company	**21.54**	**30.06**	**10.18**

(a) Details of Unspent CSR Expenditure on Ongoing Projects (Section 135(6))	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
With Holding Company			
Opening Balance	1.25	20.98	-
Unspent amount for the year	6.00	1.25	21.00
Transferred to Separate CSR Unspent A/c	1.25	20.98	-
Amount spent during the year	-	-	0.02
Closing Balance	**6.00**	**1.25**	**20.98**
In Separate CSR Unspent A/c			
Opening Balance	6.56	-	-
Transferred from Holding Company	1.25	20.98	-
Amount spent during the year#	0.78	14.42	-
Closing Balance	**7.03**	**6.56**	**-**

This is the amount transferred by the Holding Company to the AHSAAS, actual amount spent by the AHSAAS during the year is INR 0.68 Million.
* The Board of the Holding Company during the year under review has approved allocation of INR 6 Million (31 March 2022: INR 1.25 Million, 31 March 2021: INR 21.00 Million) for ongoing projects.

As per Section 135(6) of the Companies Act 2013, the Holding Company is required to transfer the unspent amount pertaining to ongoing project to a special account called "Unspent Corporate Social Responsibility Account" within 30 days from end of respective financial year. In this regard, the Holding Company has transferred INR 6 Million (31 March 2022: INR 1.25 Million, 31 March 2021: INR 20.98 Million) to the special account on 29 April 2023 for March 2023, 27 April 2022 for March 2022 and on 20 April 2021 for March 2021. Out of the amounts deposited in the bank account for the prior year, Holding Company has transferred to AHSAAS INR 0.78 Million (31 March 2022: INR 14.42 Million).

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	32 Income tax expense	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
(i)	**Profit and Loss / Other Comprehensive Income (OCI)**			
	Profit and Loss			
	Income tax expense			
	Current year	485.10	316.82	381.20
	Prior years	0.66	(1.40)	(2.03)
	Deferred tax (credit) (refer note 19.1)	(17.71)	(12.10)	(11.57)
	Total	**468.05**	**303.32**	**367.60**
	Other Comprehensive Income (OCI)			
	Deferred tax (refer note 19.1)	0.18	3.19	(1.50)
	Total income tax expense	**468.23**	**306.51**	**366.10**

(ii) **Reconciliation of effective tax rate:**
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Profit before income tax expense	1,697.58	1,129.91	1,429.61
Other Comprehensive income before tax	0.05	12.51	(5.95)
Tax using the Company's domestic tax rate 25.168%	**427.26**	**287.52**	**358.31**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Corporate social responsibility expenditure	6.92	7.88	7.61
Impact of Share of net losses of joint venture	15.00	13.32	11.09
Impact of Share of net losses of subsidiary company	9.60	0.70	-
Tax Provision for earlier year	0.66	(1.40)	(2.04)
Government grant income	(7.16)	(6.23)	(7.40)
Others	15.95	4.72	(1.47)
Income tax expense	**468.23**	**306.51**	**366.10**

(iii) During the year ended 31 March 2020, the Holding Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Holding Company recognised provision for income tax basis the rate prescribed in the said section and the deferred tax assets/liabilities were remeasured basis the revised rate and the impact of this change was recognised in the statement of profit and loss during the year ended 31 March 2020. Further, ASK Automobiles Private Limited, the wholly owned subsidiary, has elected the option under section 115BAB of the Income Tax Act, 1961 during the year ended 31 March 2022.

33 Earnings per share

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding. The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary equity shares used in the calculation of basic earnings per share is as follows:

Number of Shares	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Opening	200,892,600	203,442,600	50,860,650
Bonus shares issued (refer note 13 (vi))	-	-	152,581,950
Buyback of Shares (refer note 13 (vii))	(3,750,000)	(2,550,000)	-
Closing	**197,142,600**	**200,892,600**	**203,442,600**

Weighted average number of shares	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Opening	200,892,600	203,442,600	50,860,650
Bonus shares issued (refer note 13 (vi))	-	-	152,581,950
Adjusted buyback of shares (refer note 13 (vii))	(1,900,685)	(1,487,500)	-
Closing	**198,991,915**	**201,955,100**	**203,442,600**

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

		For the year ended 31 March 2023	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Profit attributable to equity holders of the Holding Company (A)		1,229.53	826.59	1,062.01
Numbers of equity shares (in Million) (B)		197.14	200.89	203.44
Weighted average number of equity shares (in Million) (C)		198.99	201.96	203.44
Nominal value per equity shares (refer note 13(iv))		2.00	2.00	2.00
Earnings per equity share (INR)				
Basic and Diluted (D)	(D=A/C)	**6.18**	**4.09**	**5.22**

(All amounts are in INR Million, except otherwise stated)

34 Segment Reporting

The business activity of the Group falls within one operating segment viz. manufacturing of auto components including advanced braking systems, aluminium lightweighting precision solutions and safety control cables (earlier considered as friction material components; pressure die casted, machined and painted components; and safety control cables) primarily for automobile industry and substantial sale of the products is within India. The Board of Directors, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore there is one reportable segment for the Group.
For information about geographical areas and revenue from major customers, refer note 46A and 24 respectively.

35 Information about interest in Joint Venture

Interest in Joint venture

No.	Name	Principal place of business	Ownership interest as at 31 March 2023	Ownership interest as at 31 March 2022	Ownership interest as at 31 March 2021
1	ASK Fras-Le Friction Private Limited	India	49%	49%	49%

The Holding Company's interest in joint venture in the jointly controlled operations as at 31 March 2023 are as follows:

No.	Name of joint venture partner	Description of interest	Nature of operation
1	Fras-Le S.A., Brazil	Jointly controlled operation	A joint venture agreement effective from 5 December 2017. The principal activity of the venture is the production and marketing of commercial vehicle brake pads and brake linings (also refer note 35.1 below)

35.1 As per joint venture agreement, the scope and value of work of each partner has been clearly defined and accepted by the partners. The Holding Company's share in the joint venture company is duly accounted for in the accounts of the Holding Company in accordance with such division of work and therefore does not require separate disclosure.

No.	Name	Principal place of business	% of Ownership	Carrying Amount* As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
1	ASK Fras-Le Friction Private Limited	India	49%	40.41	-	33.95

* Quoted price of the investment has not been disclosed as the same is not available, due to the reason that the joint venture is not a listed company.

35.2 Summarised financial information of joint venture
Summarised financial position

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	41.68	2.78	3.90
Other assets	390.82	510.12	379.89
Total current assets	**432.50**	**512.90**	**383.79**
Total non-current assets	**760.49**	**837.04**	**774.57**
Financial Liabilities (excluding trade payable)	448.49	515.24	336.45
Other Liabilities	278.68	280.23	174.55
Total current liabilities	**727.17**	**795.47**	**511.00**
Total non-current liabilities	**300.31**	**510.20**	**495.12**
Net assets	**165.51**	**44.27**	**152.24**

Summarised financial performance

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Loss from operations	(120.16)	(107.65)	(89.93)
Other comprehensive income	(1.36)	(0.32)	0.16
Total comprehensive income	**(121.52)**	**(107.97)**	**(89.77)**

Reconciliation to carrying amount of ASK Fras Le Friction Private Limited

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Opening Net Assets	44.27	152.24	242.01
Addition in Capital during the year	245.00	-	-
(Loss) for the year	(120.16)	(107.65)	(89.93)
Expenses for increase in Authorised share capital	(2.25)	-	
Other comprehensive income	(1.36)	(0.32)	0.16
Total Net assets	**165.50**	**44.27**	**152.24**
Less : Addition in Capital reserve not considered for Group share %	(5.93)	(5.93)	(5.93)
Closing Net Assets	**159.57**	**38.34**	**146.31**
Group Share %	49%	49%	49%
Gross value of Investment	**78.19**	**18.79**	**71.69**
Less : Elimination of Gain on transfer of assets to joint venture on consolidation (cumulative)	37.79	37.74	37.74
Net Carrying Value of Investment*	**40.41**	**-**	**33.95**

*As at 31 March 2022, the share of losses in Joint Venture exceeded its Investment value by INR 18.95 Million, which is adjusted with Loan amount given to the Joint Venture as per the provisions of IND AS 111 "Joint Arrangements". Accordingly, Net Carrying Value of Investment has been restricted to NIL for the year ended 31 March 2022. (Refer note 5 and 5A).

(All amounts are in INR Million, except otherwise stated)

35.3 In respect of Joint Venture - During the years ended 31 March 2023, 31 March 2022 and 31 March 2021, the Joint Venture Company has incurred losses of INR 120.16 Million, INR 107.65 Million and INR 89.93 Million respectively. The losses are expected to continue in the near future. Due to continued losses, the net worth of the Joint Venture Company has been substantially eroded. Further, the Joint Venture Company's current liabilities exceeded its current assets by INR 294.68 Million as at 31 March 2023 (31 March 2022: INR 282.57 Million, 31 March 2021: INR 127.28 Million) and key ratios are adverse. The Joint Venture Company is significantly dependent on funding to carry out its operations. These facts indicate the existence of a material uncertainty that may cast significant doubt on the Joint Venture Company's ability to continue as a going concern. However, the Joint Venture Company has obtained a letter of continued financial support from the joint venture partners for the year ended 31 March 2023 and 31 March 2022 for its future operations and continues to benefit from the established market position of its JV partners. Further, during the year, the JV partners have infused further equity of INR 245 Million. Accordingly, the financial statements of Joint Venture Company have been prepared on a going concern basis.

35.4 In respect of wholly owned Subsidiary - As on 31 March, 2023, the net worth of the Subsidiary Company is INR (39.42) Million. This is due to the fact that the Subsidiary company has been recently incorporated and is in its initial phase. The Subsidiary Company is in the process of setting up its manufacturing facilities and accordingly has not fully commenced production during the year. The Subsidiary Company has obtained a letter of continued financial support from its holding company to meet its short term funding requirements. Further, the Subsidiary Company will benefit significantly for its future operations from the established market position of its holding company once it comes into full production. Accordingly, the financial statements of Subsidiary Company have been prepared on a going concern basis.

36 Capital and other commitments*

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is outlined in the table below:

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Property, plant and equipment- Capital Commitment (gross)	475.55	120.72	381.02
Less: Advances paid	(108.79)	(34.38)	(41.92)
Property, plant and equipment- Capital Commitment (net)	366.76	86.34	339.10

*The above amount excludes Goods and Services Tax.

37 Contingent liabilities

(i) Corporate guarantees given to banks on account of facilities granted by banks to joint venture and subsidiary company

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Holding Company believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows:

Description	Purpose of guarantee	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
ASK Fras-le Friction Private Limited*	Term Loan and Working capital requirement	835.00	835.00	540.00
ASK Automobiles Private Limited	Term Loan and Working capital requirement	2,540.00	2,140.00	-
Total		**3,375.00**	**2,975.00**	**540.00**

*As co guarantor with Fras-Le S.A., Brazil as per their shareholding in Joint venture company.

(ii) Others

Surety bonds executed by the Group in favor of the President of India, under Export Promotion Capital Goods Scheme (EPCG) for importing capital goods at concessional rate of custom duty. Amount of duties and taxes saved of INR 43.58 Million (31 March 2022: INR 84.58 Million and 31 March 2021: INR 93.40 Million), against which there is an unfulfilled export obligation. Management of the Group is confident of meeting its export obligation within stipulated time.

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(All amounts are in INR Million, except otherwise stated)

38 Financial instruments - Fair values measurement and risk management

A Fair values measurement

(i) Financial instruments - by category

The accounting classification of each category of financial instruments, their carrying value and their fair value are set out below:

Particulars	As at 31 March 2023				As at 31 March 2022				As at 31 March 2021			
	Total carrying value				Total carrying value				Total carrying value			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total Fair value	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total Fair value	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Total Fair value
Financial assets												
Loans	-	-	106.65	106.65	-	-	87.70	87.70	-	-	106.65	106.65
Trade receivables	-	-	2,104.46	2,104.46	-	-	2,011.61	2,011.61	-	-	1,585.83	1,585.83
Cash and cash equivalents	-	-	22.27	22.27	-	-	13.02	13.02	-	-	185.27	185.27
Other bank balances	-	-	1.50	1.50	-	-	2.64	2.64	-	-	1.43	1.43
Other deposits	-	-	21.93	21.93	-	-	-	-	-	-	2.43	2.43
Security deposits	-	-	113.59	113.59	-	-	94.65	94.65	-	-	82.32	82.32
Other financial assets	-	-	20.84	20.84	-	-	4.62	4.62	-	-	5.45	5.45
Total financial assets	**-**	**-**	**2,391.24**	**2,391.24**	**-**	**-**	**2,214.24**	**2,214.24**	**-**	**-**	**1,969.38**	**1,969.38**
Financial liabilities												
Borrowings	-	-	3,180.11	3,180.11	-	-	1,597.93	1,597.93	-	-	798.94	798.94
Lease liability	-	-	98.70	98.70	-	-	155.54	155.54	-	-	42.74	42.74
Trade payables	-	-	1,698.52	1,698.52	-	-	1,788.42	1,788.42	-	-	1,493.70	1,493.70
Capital creditors	-	-	223.39	223.39	-	-	68.86	68.86	-	-	45.03	45.03
Interest accrued	-	-	13.02	13.02	-	-	4.75	4.75	-	-	2.46	2.46
Employee related payable	-	-	137.54	137.54	-	-	122.76	122.76	-	-	30.92	30.92
Security deposit received	-	-	11.85	11.85	-	-	11.72	11.72	-	-	11.56	11.56
Others liabilities	-	-	1.84	1.84	-	-	4.17	4.17	-	-	4.29	4.29
Total financial liabilities	**-**	**-**	**5,364.97**	**5,364.97**	**-**	**-**	**3,754.15**	**3,754.15**	**-**	**-**	**2,429.64**	**2,429.64**

Investment in joint ventures is measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

B Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk;
- Market risk - Foreign exchange
- Market risk - Interest rate; and
- Commodity price risk

(I) Risk management framework

The Holding Company's board of directors has overall responsibility for the establishment and oversight of the Groups' risk management framework. The board of directors have authorised senior management to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet are as follows:

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Financial assets			
Loans	106.65	87.70	106.65
Trade receivables	2,104.46	2,011.61	1,585.83
Cash and cash equivalents	22.27	13.02	185.27
Other bank balances	1.50	2.64	1.43
Other deposits	21.93	-	2.43
Security deposits	113.59	94.65	82.32
Other financial assets	20.84	4.62	5.45
Total financial assets	**2,391.24**	**2,214.24**	**1,969.38**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Groups' receivables from customers, loans.
Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies. While cash and cash equivalents are also subject to the impairment requirements of Ind AS 109, the identified impairment loss was immaterial.
The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Group does monitor the economic environment in which it operates.

The Group considers the probability of default upon initial recognition of loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:
• actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
• actual or expected significant changes in the operating results of the borrower

(All amounts are in INR Million, except otherwise stated)

Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss (ECL) model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors such as Groups' historical experience for customers.

(i) Expected credit loss for investment carried at amortised cost and other financial assets

As at 31 March 2023

Asset group	Estimated gross carrying amount of default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loan	106.65	0%	-	106.65
Cash and cash equivalents	22.27	0%	-	22.27
Other bank balances	1.50	0%	-	1.50
Other deposits	21.93	0%	-	21.93
Security deposits	113.59	0%	-	113.59
Other financial assets	20.84	0%	-	20.84

As at 31 March 2022

Asset group	Estimated gross carrying amount of default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loan	87.70	0%	-	87.70
Cash and cash equivalents	13.02	0%	-	13.02
Other bank balances	2.64	0%	-	2.64
Security deposits	94.65	0%	-	94.65
Other financial assets	4.62	0%	-	4.62

As at 31 March 2021

Asset group	Estimated gross carrying amount of default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loan	106.65	0%	-	106.65
Cash and cash equivalents	185.27	0%	-	185.27
Other bank balances	1.43	0%	-	1.43
Other deposits	2.43	0%	-	2.43
Security deposits	82.32	0%	-	82.32
Other financial assets	5.45	0%	-	5.45

The credit risk for investment carried at amortised cost and other financial assets is considered negligible. However, specific provision is made in case a particular receivable is considered to be non -recoverable.

(ii) Expected credit loss for trade receivables under simplified approach

The Holding Company's exposure to credit risk for trade receivables is as follows:

Particulars	Gross carrying amount As at 31 March 2023	Gross carrying amount As at 31 March 2022	Gross carrying amount As at 31 March 2021
Trade receivables considered good - Unsecured	2,104.46	2,011.61	1,585.83
Trade receivables - credit impaired	1.60	3.34	4.67
Total	2,106.06	2,014.95	1,590.50
Less : Loss allowance	(1.60)	(3.34)	(4.67)
Carrying amount of trade receivables (net of loss allowance)	**2,104.46**	**2,011.61**	**1,585.83**

The following table summarises the change in the loss allowance:

Loss allowance as on 1 April 2020	-
Add/(Less): Loss allowance (net)	4.67
Loss allowance as on 31 March 2021	**4.67**
Add/(Less): Loss allowance (net)	(1.33)
Loss allowance as on 31 March 2022	**3.34**
Add/(Less): Loss allowance (net)	(1.74)
Loss allowance as on 31 March 2023	**1.60**

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Groups' liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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(All amounts are in INR Million, except otherwise stated)

(i) Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2023	Contractual cash flows					
	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Total
Financial liabilities - borrowings*	1,023.84	255.57	615.19	1,548.00	319.38	**3,761.98**
Lease liabilities	38.22	38.42	14.14	15.21	-	**105.99**
Trade payables	1,698.52	-	-	-	-	**1,698.52**
Other financial liabilities	387.64	-	-	-	-	**387.64**
Total	**3,148.22**	**293.99**	**629.33**	**1,563.21**	**319.38**	**5,954.13**

As at 31 March 2022	Contractual cash flows					
	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Total
Financial liabilities - borrowings*	522.09	120.20	249.79	612.86	317.07	**1,822.01**
Lease liabilities	36.95	36.52	73.63	11.23	-	**158.33**
Trade payables	1,788.42	-	-	-	-	**1,788.42**
Other financial liabilities	212.26	-	-	-	-	**212.26**
Total	**2,559.73**	**156.72**	**323.42**	**624.09**	**317.07**	**3,981.02**

As at 31 March 2021	Contractual cash flows					
	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Total
Financial liabilities - borrowings*	333.53	72.63	182.94	289.24	-	**878.34**
Lease liabilities	6.65	6.77	13.71	22.88	-	**50.01**
Trade payables	1,493.69	-	-	-	-	**1,493.69**
Other financial liabilities	94.26	-	-	-	-	**94.26**
Total	**1,928.13**	**79.40**	**196.65**	**312.12**	**-**	**2,516.30**

*Amortised amount of upfront fees/charges paid at the time of sanction/disbursement of loan in the above outstanding is INR 0.05 Million, (31 March 2022 : 0.16 Million), (31 March 2021 : 0.20 Million). This amount further includes future undiscounted cash flows for interest on term loans INR 581.82 Million, (31 March 2022 : 223.92 Million), (31 March 2021 : 79.20 Million).

(c) Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Holding Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Holding Company's operating, investing and financing activities.

Exposure to currency risk

The summary of quantitative data about the Holding Company's unhedged exposure to currency risk, as expressed in INR :

Particulars	As at 31 March 2023 Amount in foreign currency			As at 31 March 2023 Exchange rate			As at 31 March 2023 Amount in INR		
	USD	EURO	JPY	USD	EURO	JPY	USD	EURO	JPY
Financial assets									
Trade receivables	2.09	0.00	-	82.22	89.61	0.62	171.64	0.01	-
	2.09	0.00	-				**171.64**	0.01	-
Financial liabilities									
Trade payables	0.03	-	15.44	82.22	89.61	0.62	2.47	-	9.54
	0.03	**-**	**15.44**				**2.47**	**-**	**9.54**

Particulars	As at 31 March 2022 Amount in foreign currency			As at 31 March 2022 Exchange rate			As at 31 March 2022 Amount in INR		
	USD	EURO	JPY	USD	EURO	JPY	USD	EURO	JPY
Financial assets									
Trade receivables	2.39	-	-	75.81	84.66	0.62	181.03	-	-
	2.39	**-**	**-**				**181.03**	**-**	**-**
Financial liabilities									
Trade payables	0.20	-	11.87	75.81	84.66	0.62	14.93	-	7.39
	0.20	**-**	**11.87**				**14.93**	**-**	**7.39**

Particulars	As at 31 March 2021 Amount in foreign currency			As at 31 March 2021 Exchange rate			As at 31 March 2021 Amount in INR		
	USD	EURO	JPY	USD	EURO	JPY	USD	EURO	JPY
Financial assets									
Trade receivables	0.76	0.00	-	73.50	86.10	0.66	55.72	0.01	-
	0.76	**0.00**	**-**				**55.72**	**0.01**	**-**
Financial liabilities									
Trade payables	0.12	-	1.50	73.50	86.10	0.66	8.67	-	1.00
	0.12	**-**	**1.50**				**8.67**	**-**	**1.00**

(All amounts are in INR Million, except otherwise stated)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies would have affected the measurement of financial instruments denominated in functional currency and affected equity and profit or loss by the amounts shown below. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	%	Amount	%	Amount	%	Amount
USD sensitivity*						
INR/USD- increase by	8.46%	14.30	3.13%	5.20	2.50%	1.18
INR/USD- decrease by	8.46%	(14.30)	3.13%	(5.20)	2.50%	(1.18)
EURO sensitivity*						
INR/EURO- increase by	(5.84)%	-	1.67%	-	3.67%	-
INR/EURO- decrease by	(5.84)%	-	1.67%	-	3.67%	-
JPY sensitivity*						
INR/JPY- increase by	0.69%	(0.07)	6.22%	(0.46)	4.72%	(0.05)
INR/JPY- decrease by	0.69%	0.07	6.22%	0.46	4.72%	0.05

* Holding all other variables constant

Note- We have considered change in rate by the difference in closing and opening rate.

(ii) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings and short term borrowings with variable rates.

Interest rate risk exposure

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. The exposure of the Group's borrowing to interest rate changes as reported to the management at the end of the reporting year are as follows:

	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Variable rate borrowing	2,009.36	995.20	540.15
Weighted average interest rate	7.48%	6.75%	7.59%

Sensitivity analysis

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest sensitivity*			
Interest rates – increase by 100 basis points (100 bps)	(20.09)	(9.95)	(5.40)
Interest rates – decrease by 100 basis points (100 bps)	20.09	9.95	5.40

* Holding all other variables constant

(d) Commodity price risk

Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Group. The Group sells its products mainly to Original Equipment Manufacturers for whom it is manufacturing auto components. The Group does regular negotiation / adjustment of prices on the basis of changes in commodity prices.

(II) Capital management

For the purpose of the Holding Company's capital management, capital includes issued equity share capital, securities premium reserve and all other equity reserves attributable to the equity holders of the Holding Company. The primary objective of the management of the Holding Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Holding Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Holding Company may return capital to shareholders, raise new debt or issue new shares.

The Holding Company monitors capital on the basis of the debt to capital ratio, which is calculated as adjusted net interest-bearing debts divided by total capital.

Particulars	Legend	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Short term borrowings (refer note 20)		1,091.64	574.44	372.24
Long term borrowings (refer note 15)		2,088.47	1,023.49	426.70
Less : Cash and cash equivalent (refer note 11)		(22.27)	(13.02)	(185.27)
Adjusted net debt	**A**	**3,157.84**	**1,584.91**	**613.67**
Total capital (refer note 13 and 14)	**B**	**6,437.71**	**6,319.08**	**6,222.25**
Net debt to equity ratio (in times)*	**A/B**	**0.49**	**0.25**	**0.10**

* The Group's adjusted net debt has increased by INR 1,572.93 Million (31 March 2022: INR 971.24 Million) for capital expenditure and working capital requirement against increase in shareholder's equity by INR 118.63 Million (31 March 2022: INR 96.83 Million).

(All amounts are in INR Million, except otherwise stated)

39 Related party disclosures

Disclosure of related parties/related party transactions pursuant to Ind AS 24 " Related Party Disclosures"

A Name of the related parties and nature of the related party relationship:

Name of the entity

(i) Enterprise in which directors of the Company and their relatives are able to exercise significant influence ("Significant Influence") with whom transactions have taken place

31 March 2023	31 March 2022	31 March 2021	Principal place of operation/ Country of Incorporation
A.P.Automotives Private Limited	A.P.Automotives Private Limited	A.P.Automotives Private Limited	India
AA Friction Materials Private Limited	AA Friction Materials Private Limited	AA Friction Materials Private Limited	India
Vijaylaxmi Infra Projects Private Limited	Vijaylaxmi Infra Projects Private Limited	Vijaylaxmi Infra Projects Private Limited	India
AHSAAS Trust	AHSAAS Trust	AHSAAS Trust	India

(ii) Wholly Owned Subsidiary

ASK Automobiles Private Limited	ASK Automobiles Private Limited	-	India

(iii) Joint Venture

ASK Fras-Le Friction Private Limited	ASK Fras-Le Friction Private Limited	ASK Fras-Le Friction Private Limited	India

(iv) Key management personnel and relatives of key management personnel ("KMP")

Name	Designation		
	31 March 2023	31 March 2022	31 March 2021
Mr. Kuldip Singh Rathee	Managing director	Managing director	Managing director
Mrs. Vijay Rathee	Director	Director	Director
Mr. Prashant Rathee	Executive Director	Executive Director	Executive Director
Mr. Aman Rathee	Executive Director	Executive Director	Executive Director
Mr. Rajesh Kataria	Executive Director	Executive Director	Director
Mr. Kumaresh Chandra Misra	Independent Director (w.e.f. 01 April 2023)	-	-
Ms. Deepti Sehgal	Independent Director (w.e.f. 01 April 2023)	-	-
Mr. Arun Duggal	Independent Director (w.e.f. 01 May 2023)	-	-
Mr. Yogesh Kapur	Independent Director (w.e.f. 01 May 2023)	-	-
Mr. Vinay Kumar Piparsania	Independent Director (w.e.f. 01 May 2023)	-	-
Ms. Rajani Sharma	Company Secretary	Company Secretary	Company Secretary
Mr. Naresh Kumar	Chief Financial Officer (w.e.f. 28 March 2023)	-	-

(This space has been intentionally left blank)

(All amounts are in INR Million, except otherwise stated)

39 Related party disclosures (continued)

B Particulars of transactions with related parties

Nature of transaction and name of related party	For the year ended	Joint Venture	Entities in which directors of the Company and their relatives are able to exercise significant influence	Wholly Owned Subsidiary	Key Management Personnel
Purchase of goods*					
ASK Fras-Le Friction Private Limited	31 March 2023	6.75	-	-	-
	31 March 2022	0.24	-	-	-
	31 March 2021	0.15	-	-	-
AA Friction Materials Private Limited	31 March 2023	-	451.14	-	-
	31 March 2022	-	556.50	-	-
	31 March 2021	-	445.47	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	0.16	-
	31 March 2022	-	-	-	-
Reimbursement of expenses incurred on behalf of company					
ASK Fras-Le Friction Private Limited	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	0.04	-	-	-
Buyback of Securities - Equity Shares$					
Kuldip Singh Rathee	31 March 2023	-	-	-	900.00
	31 March 2022	-	-	-	599.25
	31 March 2021	-	-	-	-
Investments in equity shares					
ASK Fras-Le Friction Private Limited	31 March 2023	120.05	-	-	-
	31 March 2022				
	31 March 2021	-	-		-
ASK Automobiles Private Limited	31 March 2023	-	-	-	-
	31 March 2022	-	-	7.50	-
Purchase of fixed assets*					
AA Friction Materials Private Limited	31 March 2023	-	2.53	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	-
ASK Fras-Le Friction Private Limited	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	0.73	-	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	36.36	-
	31 March 2022	-	-	-	-
Rent paid*					
A.P.Automotives Private Limited	31 March 2023	-	18.19	-	-
	31 March 2022	-	18.80	-	-
	31 March 2021	-	16.99	-	-
Mr. Prashant Rathee	31 March 2023	-	-	-	26.17
	31 March 2022	-	-	-	24.92
	31 March 2021	-	-	-	23.79
Mr. Aman Rathee	31 March 2023	-	-	-	26.17
	31 March 2022	-	-	-	24.92
	31 March 2021	-	-	-	23.79
ASK Automobiles Private Limited	31 March 2023	-	-	1.54	-
	31 March 2022	-	-	-	-
Receiving of service*					
AA Friction Materials Private Limited	31 March 2023	-	82.51	-	-
	31 March 2022	-	84.40	-	-
	31 March 2021	-	-	-	-
ASK Fras-Le Friction Private Limited	31 March 2023	2.96	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	-
Vijaylaxmi Infra Projects Private Limited	31 March 2023	-	-	-	-
	31 March 2022	-	17.60	-	-
	31 March 2021	-	15.58	-	-
Loan given					
ASK Automobiles Private Limited	31 March 2023	-	-	311.58	-
	31 March 2022	-	-	210.01	-
Interest earned on loan given					
ASK Fras-Le Friction Private Limited	31 March 2023	9.60	-	-	-
	31 March 2022	9.60	-	-	-
	31 March 2021	9.60	-	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	36.52	-
	31 March 2022	-	-	5.20	-
Sale of services*					
ASK Fras-Le Friction Private Limited	31 March 2023	25.91	-	-	-
	31 March 2022	16.35	-	-	-
	31 March 2021	10.86	-	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	2.41	-
	31 March 2022	-	-	0.21	-
Sale of products*					
ASK Fras-Le Friction Private Limited	31 March 2023	12.35	-	-	-
	31 March 2022	3.89	-	-	-
	31 March 2021	19.58	-	-	-
AA Friction Materials Private Limited	31 March 2023	-	1.97	-	-
	31 March 2022	-	74.26	-	-
	31 March 2021	-	99.58	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	3.84	-
	31 March 2022	-	-	-	-
Sale of fixed assets*					
ASK Fras-Le Friction Private Limited	31 March 2023	1.29	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	0.02	-	-	-
AA Friction Materials Private Limited	31 March 2023	-	0.25	-	-
	31 March 2022	-	0.17	-	-
	31 March 2021	-	5.39	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	26.58	-
	31 March 2022	-	-	-	-
Mrs. Vijay Rathee	31 March 2023	-	-	-	0.06
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	-

(All amounts are in INR Million, except otherwise stated)

B Particulars of transactions with related parties (continued)

Nature of transaction and name of related party	For the year/Year ended	Joint Venture	Entities in which directors of the Company and their relatives are able to exercise significant influence	Wholly Owned Subsidiary	Key Management Personnel
Security deposit given					
A.P.Automotives Private Limited	31 March 2023	-	-	-	-
	31 March 2022	-	8.28	-	-
	31 March 2021	-	-	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	0.36	-
	31 March 2022	-	-	-	-
Security deposit given received back					
A.P.Automotives Private Limited	31 March 2023	-	-	-	-
	31 March 2022	-	0.63	-	-
	31 March 2021	-	6.57	-	-
Advances given received back					
Mr. Rajesh Kataria	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	1.96
	31 March 2021	-	-	-	-
Director's Remuneration					
Mr. Kuldip Singh Rathee	31 March 2023	-	-	-	69.73
	31 March 2022	-	-	-	64.77
	31 March 2021	-	-	-	66.19
Mr. Prashant Rathee	31 March 2023	-	-	-	23.36
	31 March 2022	-	-	-	26.54
	31 March 2021	-	-	-	23.36
Mr. Aman Rathee	31 March 2023	-	-	-	23.36
	31 March 2022	-	-	-	26.54
	31 March 2021	-	-	-	23.36
Mr. Rajesh Kataria	31 March 2023	-	-	-	3.34
	31 March 2022	-	-	-	3.03
	31 March 2021	-	-	-	2.45
Remuneration			-		
Ms. Rajani Sharma	31 March 2023	-	-	-	4.09
	31 March 2022	-	-	-	3.69
	31 March 2021	-	-	-	3.45
Mr. Naresh Kumar #	31 March 2023	-	-		8.43
	31 March 2022	-	-		8.32
	31 March 2021	-	-	-	-
Corporate guarantees given					
ASK Fras-Le Friction Private Limited	31 March 2023	-	-	-	-
	31 March 2022	295.00	-	-	-
	31 March 2021	-	-	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	400.00	-
	31 March 2022	-	-	2,140.00	-
Bonus shares issued					
Kuldip Singh Rathee	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	131.68
Vijay Rathee	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	95.51
Aman Rathee	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	35.69
Prashant Rathee	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	42.28
Advance given					
Mr. Rajesh Kataria	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	2.23
Dividend paid					
Kuldip Singh Rathee	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	8.78
Vijay Rathee	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	6.37
Aman Rathee	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	2.38
Prashant Rathee	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	2.82
CSR expenditure paid					
Ahsaas Trust	31 March 2023	-	6.32	-	-
	31 March 2022	-	24.48	-	-
	31 March 2021	-	10.16	-	-
Paid for CSR ongoing projects					
Ahsaas Trust	31 March 2023	-	0.78	-	-
	31 March 2022	-	14.42	-	-
	31 March 2021	-	-	-	-

*Transactions have been reported inclusive of applicable taxes.
$Refer note 13(vii) for details.

(All amounts are in INR Million, except otherwise stated)

C Balance outstanding at the end of the year

Nature of balances and name of related party	As at	Joint Venture	Entities in which directors of the Company and their relatives are able to exercise significant influence	Wholly Owned Subsidiary	Key Management Personnel
Investment in equity shares					
ASK Automobiles Private Limited	31 March 2023	-	-	7.50	-
	31 March 2022	-	-	7.50	-
ASK Fras-Le Friction Private Limited	31 March 2023	431.20	-	-	-
	31 March 2022	311.15	-	-	-
	31 March 2021	311.15	-	-	-
Trade receivables					
ASK Fras-Le Friction Private Limited	31 March 2023	-	-	-	-
	31 March 2022	5.48	-	-	-
	31 March 2021	3.92	-	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	1.77	-
	31 March 2022	-	-	-	-
Receivables - Capital asset					
ASK Automobiles Private Limited	31 March 2023	-	-	19.90	-
	31 March 2022	-	-	-	-
Interest receivables					
ASK Fras-Le Friction Private Limited	31 March 2023	2.16	-	-	-
	31 March 2022	2.16	-	-	-
	31 March 2021	2.22	-	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	37.55	-
	31 March 2022	-	-	4.68	-
Trade payables					
ASK Fras-Le Friction Private Limited	31 March 2023	-	-	-	-
	31 March 2022	0.01	-	-	-
	31 March 2021	-	-	-	-
Vijaylaxmi Infra Projects Private Limited	31 March 2023	-	-	-	-
	31 March 2022	-	1.37	-	-
	31 March 2021	-	-	-	-
Security deposits given					
A.P.Automotives Private Limited	31 March 2023	-	8.28	-	-
	31 March 2022	-	8.28	-	-
	31 March 2021	-	0.63	-	-
Mr. Prashant Rathee	31 March 2023	-	-	-	9.60
	31 March 2022	-	-	-	9.60
	31 March 2021	-	-	-	9.60
Mr. Aman Rathee	31 March 2023	-	-	-	9.60
	31 March 2022	-	-	-	9.60
	31 March 2021	-	-	-	9.60
ASK Automobiles Private Limited	31 March 2023	-	-	0.36	-
	31 March 2022	-	-	-	-
Loan given (before impairment)					
ASK Fras-Le Friction Private Limited	31 March 2023	106.65	-	-	-
	31 March 2022	106.65	-	-	-
	31 March 2021	106.65	-	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	521.59	-
	31 March 2022	-	-	210.01	-
Advance given					
Mr. Rajesh Kataria	31 March 2023	-	-	-	-
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	1.96
Remuneration payable					
Mr. Kuldip Singh Rathee	31 March 2023	-	-	-	8.34
	31 March 2022	-	-	-	5.70
	31 March 2021	-	-	-	-
Mr. Prashant Rathee	31 March 2023	-	-	-	0.03
	31 March 2022	-	-	-	-
	31 March 2021	-	-	-	-
Mr. Aman Rathee	31 March 2023	-	-	-	0.03
	31 March 2022	-	-	-	1.21
	31 March 2021	-	-	-	-
Mr. Rajesh Kataria	31 March 2023	-	-	-	0.19
	31 March 2022	-	-	-	0.17
	31 March 2021	-	-	-	-
Ms. Rajani Sharma	31 March 2023	-	-	-	0.26
	31 March 2022	-	-	-	0.22
	31 March 2021	-	-	-	-
Mr. Naresh Kumar #	31 March 2023	-	-	-	0.35
	31 March 2022	-	-	-	0.36
	31 March 2021	-	-	-	-
Corporate guarantees given to banks on account of facilities granted by banks					
ASK Fras-le Friction Private Limited	31 March 2023	835.00	-	-	-
	31 March 2022	835.00	-	-	-
	31 March 2021	540.00	-	-	-
ASK Automobiles Private Limited	31 March 2023	-	-	2,540.00	-
	31 March 2022	-	-	2,140.00	-

Mr. Naresh Kumar has been considered as key management personnel w.e.f. 28 March 2023. However, his remuneration for the entire year has been disclosed above.

39.1 Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

39.2 As the liabilities for the gratuity and compensated absence are provided on an actuarial basis for the Group as a whole rather than each individual employee, the amounts pertaining specifically to KMP are not known and hence, not included in the above table. Gratuity and compensated absence, are included based on actual payment in respective year based in the above table. The above KMP remuneration does not include employer contribution to employee provident fund.

39.3 The amount of INR 16.29 Million incurred during the year ended 31 March 2023 towards Initial public offer related transaction costs, which the Holding Company will recover or adjust from the selling shareholders or reserves and surplus in proportion to the offer for sale or fresh issue of equity shares respectively to be decided in due course. Also, refer note 6.

39.4 The Holding Company has given a letter of continued financial support to its Subsidiary Company (ASK Automobiles Private Limited) for the year ended 31 March 2023 and Joint Venture Company (ASK Fras-Le Friction Private Limited) for the years ended 31 March 2023 and 31 March 2022. Refer note 35.3 and 35.4 for more details.

(All amounts are in INR Million, except otherwise stated)

40 Restatement of previously reported financial information

During the current year ended 31 March 2023, the Holding Company has restated the comparative financial information as at 31 March 2022 and 31 March 2021 due to classification of certain balances as further explained in Note 10.4 and 20.1. The impact of these adjustments as at 31 March 2022 and 31 March 2021 is not considered to be material to the Group, as there is no impact on Statement of profit and loss, net worth or key financial ratios of the Holding Company reported in earlier years. The impact of restatement is detailed below:

A) Impact on financial information line items:

Particulars	Notes	Amount as on 31 March 2022 (Reported)	Adjustments	Amount as on 31 March 2022 (Restated)	Amount as on 31 March 2021 (Reported)	Adjustments	Amount as on 31 March 2021 (Restated)
Current assets							
Trade receivables	Note 10.4	1,659.08	352.53	2,011.61	1,327.04	258.79	1,585.83
Current liabilities							
Borrowings	Note 20.1	221.92	352.53	574.44	113.45	258.79	372.24

B) Impact on statement of Cash Flows

Particulars	As at 31 March 2022 (Reported)	Adjustments	As at 31 March 2022 (Restated)	As at 31 March 2021 (Reported)	Adjustments	As at 31 March 2021 (Restated)
Movement in working capital						
Change in trade receivables	(325.62)	(93.74)	(419.36)	(608.17)	(84.84)	(693.01)
Cash flow from financing activities						
Movement of short term borrowings (net)	47.66	93.74	141.40	(126.14)	84.84	(41.30)

41 Capital work in progress (CWIP)

CWIP Ageing schedule #

As at 31 March 2023	Amount in CWIP for a period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress	1,169.15	13.30	-	-	1,182.45
Projects temporarily suspended	-	-	-	-	-
Total	1,169.15	13.30	-	-	1,182.45

As at 31 March 2022	Amount in CWIP for a period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress	28.50	-	-	-	28.50
Projects temporarily suspended	-	-	-	-	-
Total	28.50	-	-	-	28.50

As at 31 March 2021	Amount in CWIP for a period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Project in progress	98.29	-	-	-	98.29
Projects temporarily suspended	-	-	-	-	-
Total	98.29	-	-	-	98.29

The Group has no CWIP, whose completion is overdue or has exceeded its cost compared to its original plan.

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(All amounts are in INR Million, except otherwise stated)

42 Quarterly Statements submitted to Bank

The Holding company has borrowings from banks and financial institutions (Refer note no 20). The Subsidiary Company does not have any working capital limit, hence quarterly statements is not required to be submitted with the banks and financial institutions.

The periodical statements of current assets* submitted by the Holding company with the banks and financial institutions are in agreement with books of account except as under:

For the year ended 31 March 2023

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per books of accounts	Amount as reported in the quarterly return/ statement	Difference	Reason for material discrepancies
June 2022	**	**	1,548.53	1,210.24	(338.29)	The difference is on account of trade receivables discounted through sales invoice discounting facility not netted off during quarterly closure of books of accounts.
September 2022	**	**	1,719.33	1,395.43	(323.90)	
December 2022	**	**	1,323.76	1,068.28	(255.48)	
March 2023	**	**	1,932.29	1,625.34	(306.95)	

For the year ended 31 March 2022

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
June 2021	**	**	890.89	1,076.19	185.30	***
September 2021	**	**	1,150.45	1,229.93	79.48	***
December 2021	**	**	1,391.89	1,407.28	15.39	***
March 2022	**	**	1,467.40	1,093.34	(374.06)	***

* Current Assets = Inventories + Trade Receivables - Trade Payables

** Name of Bank & Securities provided

Name of Bank	Particulars of Securities provided
HDFC Bank Limited	Working Capital facility secured by first pari passu charge on current assets and movable fixed assets of the company both present and future excluding assets exclusively financed by term lenders. The said loan is also secured by first pari passu charge on immovable property being land and building at Plot No. 66-67, Udyog Vihar Phase-I, Gurgaon (Haryana).
Kotak Mahindra Bank Limited	Working capital facility is secured by first pari passu hypothecation charge on all existing and future current assets and all existing and future movable fixed assets excluding assets exclusively financed by term lenders. The said loan is also secured by first pari pasu mortgage charge on immovable property being land and building situated at Plot No. 66-67, Udyog Vihar Phase-I, Gurgaon (Haryana).
Axis Bank Limited	Working Capital facility is secured by way of first pari passu hypothecation charge on entire current assets and movable fixed assets (excluding assets exclusively financed by term lenders) both present and future of the company. The said loan is also secured by first pari pasu charge by way of equitable mortgage on immovable property being land and building situated at Plot No. 66-67, Udyog Vihar Phase-I, Gurgaon (Haryana).
Citi Bank N.A.	Working capital facility is secured by First pari passu charge on present and future stocks and book debts and first pari passu charge on all movable fixed assets of the Company except the assets which are exclusively charged to any lender for term loan facility. The said loan is also secured by way of equitable mortgage on land & building located at Plot No. 66-67, Udyog Vihar Phase-I, Gurgaon (Haryana).

*** Reasons for material discrepancies

Quarter	Goods in Transit	Provisions	Discounted Trade Receivables	Total	Remarks
June 2021	136.91	226.92	(178.53)	185.30	Quarterly statements filed with the bank were based on provisional numbers and difference is mainly on account of goods in transit and provisions and also on account of restatement of trade receivables discounted through sales invoice discounting facility.
September 2021	156.05	296.60	(373.17)	79.48	
December 2021	116.80	246.21	(347.61)	15.39	
March 2022	-	(21.53)	(352.53)	(374.06)	

As there is no requirement to disclose the above note related to Quarterly statements submitted to Banks in FY-2020-21, the same has not been disclosed.

43 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 2023

Name of the Entity	Net Assets i.e. total asset less total liabilities		Shares in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Holding Company								
ASK Automotive Limited (formerly known as ASK Automotive Private Limited)	107.31%	6,908.18	110.61%	1,359.93	(420.15)%	0.54	110.66%	1,360.47
Subsidiary								
Indian								
ASK Automobiles Private Limited	(0.61)%	(39.42)	(3.57)%	(43.89)	0.00%	0.00	(3.57)%	(43.89)
Joint Venture*								
Indian								
ASK Fras-le Friction Private Limited	1.26%	81.10	(4.79)%	(58.92)	520.15%	(0.67)	(4.85)%	(59.59)
Adjustments arising out of consolidation	(7.96)%	(512.15)	(2.24)%	(27.59)	0.00%	0.00	(2.24)%	(27.59)
Total	**100.00%**	**6,437.71**	**100.00%**	**1229.53**	**100.00%**	**(0.13)**	**100.00%**	**1229.40**

*Investment accounted as per equity method

(All amounts are in INR Million, except otherwise stated)

As at March 2022

Name of the Entity	Net Assets i.e. total asset less total liabilities		Shares in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	**Amount**	**As % of Consolidated Profit or (Loss)**	**Amount**	**As % of other comprehensive income**	**Amount**	**As % of total comprehensive income**	**Amount**
Holding Company								
ASK Automotive Private Limited	105.35%	6,657.38	107.35%	887.31	101.66%	9.47	107.28%	896.78
Subsidiary								
Indian								
ASK Automobiles Private Limited	0.07%	4.48	(0.34)%	(2.80)	0.00%	-	(0.33)%	(2.80)
Joint Venture*								
Indian								
ASK Fras-le Friction Private Limited	0.34%	21.69	(6.38)%	(52.75)	(1.66)%	(0.15)	(6.33)%	(52.90)
Adjustments arising out of consolidation	(5.77)%	(364.47)	(0.63)%	(5.17)	0.00%	(0.00)	(0.62)%	(5.17)
Total	**100.00%**	**6,319.08**	**100.00%**	**826.59**	**100.00%**	**9.32**	**100.00%**	**835.91**

*Investment accounted as per equity method

As at March 2021

Name of the Entity	Net Assets i.e. total asset less total liabilities		Shares in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	**Amount**	**As % of Consolidated Profit or (Loss)**	**Amount**	**As % of other comprehensive income**	**Amount**	**As % of total comprehensive income**	**Amount**
Holding Company								
ASK Automotive Private Limited	104.46%	6,499.45	104.15%	1,106.08	101.85%	(4.45)	104.16%	1,101.63
Joint Venture*								
Indian								
ASK Fras-le Friction Private Limited	1.20%	74.60	(4.15)%	(44.07)	(1.74)%	0.08	(4.16)%	(43.99)
Adjustments arising out of consolidation	(5.65)%	(351.80)	0.00%	(0.00)	(0.11)%	0.00	0.00%	0.00
Total	**100.00%**	**6,222.25**	**100.00%**	**1,062.01**	**100.00%**	**(4.37)**	**100.00%**	**1,057.64**

*Investment accounted as per equity method

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(All amounts are in INR Million, except otherwise stated)

44 The Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate and has measured right-of-use asset at an amount equal to lease liability.

Right of use assets (Net Block):

Particulars	Amount
As at 1 April 2020	**131.91**
Additions	8.21
Deletions/ Adjustment	-
Amortisation during the year	62.33
As at 31 March 2021	**77.78**
Additions	915.30
Deletions/ Adjustment	(37.14)
Amortisation during the year	71.14
As at 31 March 2022	**884.80**
Additions	41.50
Deletions/Adjustments	(7.53)
Amortisation during the year	75.93
As at 31 March 2023	**842.84**

Lease liability:

Particulars	Amount
As at 1 April 2020	**96.40**
Additions	8.21
Deletions/ Adjustment	-
Finance Cost for the year	6.01
Repayment made during the year (including Interest)	67.88
As at 31 March 2021	**42.74**
Additions	909.80
Deletions/ Adjustment	2.67
Finance Cost for the year	12.96
Repayment made during the year (including Interest)	807.29
As at 31 March 2022	**155.54**
Additions	40.86
Deletions/Adjustment	9.08
Finance Cost for the year	8.66
Repayment made during the year (including Interest)	97.28
As at 31 March 2023	**98.70**

Maturity profile of Lease liability:

Year ended 31 March 2023

Particulars		within 1 year	1-3 years	3-5 years	Above 5 years	Total
Lease payments (Cash)		76.64	25.44	3.92	-	**106.00**
Less:- Interest payments		4.46	2.73	0.10	-	**7.29**
Lease Principal		**72.18**	**22.71**	**3.82**	-	**98.71**

Year ended 31 March 2022

Particulars		within 1 year	1-3 years	3-5 years	Above 5 years	Total
Lease payments (Cash)		76.98	89.51	1.91	-	**168.40**
Less:- Interest payments		8.75	4.09	0.02	-	**12.86**
Lease Principal		**68.23**	**85.42**	**1.89**	-	**155.54**

Year ended 31 March 2021

Particulars		within 1 year	1-3 years	3-5 years	Above 5 years	Total
Lease payments (Cash)		13.43	25.35	11.23	-	**50.01**
Less:- Interest payments		3.16	3.65	0.46	-	**7.27**
Lease Principal		**10.27**	**21.70**	**10.77**	**-**	**42.74**

Following amount has been recognised in consolidated statement of profit and loss account:

Particulars	31 March 2023	31 March 2022	31 March 2021
Amortisation on right of use asset (refer note 30)	75.93	71.14	62.33
Interest on lease liabilities (refer note no. 29)	8.66	12.96	6.01
Expenses related to short term leases (included in Rent under other expenses) (refer note 31)	5.44	3.34	3.12
Total amount recognized in consolidated statement of profit and loss	**90.03**	**87.44**	**71.46**

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(All amounts are in INR Million, except otherwise stated)

45 Disclosure pursuant to Ind AS 7 "Consolidated Statement of cash flows"- changes in liabilities arising from financing activities:

Particulars	Non- current borrowings (including current maturities) (refer note 15)	Current borrowings (refer note 20)	Interest accrued on borrowings (refer note 22)	Total
Opening balance as at 1 April 2020	**1,367.71**	**300.09**	**9.87**	**1,677.67**
(a) Changes from financing cash flow	(827.56)	(41.30)	(107.22)	(976.08)
(b) Interest charge to consolidated statement of profit and loss	-	-	99.81	99.81
(c) Amortisation of Bank Charges during the year	-	-	-	-
(d) Interest capitalised to CWIP	-	-	-	-
Closing balance as at 31 March 2021	**540.15**	**258.79**	**2.46**	**801.40**
Opening balance as at 1 April 2021	540.15	258.79	2.46	801.40
(a) Changes from financing cash flow	657.50	141.39	(67.32)	731.57
(b) Interest charge to consolidated statement of profit and loss	-	-	66.47	66.47
(c) Amortisation of Bank Charges during the year	0.10	-	(0.10)	-
(d) Interest capitalised to CWIP	-	-	3.24	3.24
Closing balance as at 31 March 2022	**1,197.75**	**400.18**	**4.75**	**1,602.68**
Opening balance as at 1 April 2022	1,197.75	400.18	4.75	1,602.68
(a) Changes from financing cash flow	1,120.35	461.71	(143.05)	1,439.01
(b) Interest charge to consolidated statement of profit and loss	-	-	102.13	102.13
(c) Amortisation of Bank Charges during the year	0.11	-	(0.11)	-
(d) Interest capitalised to CWIP	-	-	49.30	49.30
Closing balance As at 31 March 2023	**2,318.21**	**861.89**	**13.02**	**3,193.12**

refer note 44 for changes in liability related to leases.

46 Revenue from Contracts with Customers

A Disaggregation of revenue

The Holding Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

Revenue from operations	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Revenue by geography			
Domestic*	24,661.55	19,153.89	14,834.28
Export[#]	971.40	885.71	714.11
Total	**25,632.95**	**20,039.60**	**15,548.39**
Adjustment for goods in transit net of opening-:			
Domestic	(39.56)	(28.44)	55.15
Export	(41.72)	119.67	(163.62)
Total	**(81.28)**	**91.23**	**(108.47)**
Net Revenue from operations	**25,551.67**	**20,130.83**	**15,439.92**
Revenue by time			
Revenue recognised at point in time	25,551.67	20,130.83	15,439.92
Revenue recognised over time	-	-	-
Total	**25,551.67**	**20,130.83**	**15,439.92**

* Export benefit has been included in domestic revenue INR 20.37 Million (31 March 2022 INR 24.84 Million, 31 March 2021 INR 19.91 Million)

[#]Indirect/Deemed exports has been included in export revenue INR 10.21 Million (31 March 2022 INR 14.71 Million, 31 March 2021 INR 23.14 Million).

B. Significant changes in the contract liabilities balances during the year are as follows:

Particulars	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Opening Balance	**67.46**	**41.80**	**58.92**
Add: Net Addition during the year	107.89	66.83	41.80
Less: Revenue recognised during the year	57.30	41.16	58.92
Closing Balance	**118.05**	**67.46**	**41.80**

C. Assets and liabilities related to contracts with customers

Description	**As at 31 March 2023**		**As at 31 March 2022**		**As at 31 March 2021**	
	Non-current	**Current**	**Non-current**	**Current**	**Non-current**	**Current**
Contract liabilities related to sale of goods						
Advance from customers	-	118.05	-	67.46	-	41.80

D. Reconciliation of revenue recognised in Restated Consolidated Statement of Profit and Loss with Contract price

Description	**Year ended 31 March 2023**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Contract price	25,832.31	20,408.26	15,827.75
Less: Discount, rebates, credits etc.	280.64	277.43	387.83
Revenue from operations as per Restated Consolidated Statement of Profit and Loss	**25,551.67**	**20,130.83**	**15,439.92**

(All amounts are in INR Million, except otherwise stated)

47 Covid Impact

The outbreak of Covid-19 has severely impacted businesses around the world. In many countries, including India, there has been severe disruption of regular business operations due to lock down restrictions and other emergency measures imposed by the Government. The management has made a detailed assessment of its liquidity position, including recoverability/carrying values of its receivables, other assets and inventory as at the year ended 31 March 2023 and 31 March 2022 and 31 March 2021.

48 The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Group will assess and record the impact of the Code, once it is effective.

49 Other disclosures required as per schedule III-

(a) The Group has not invested or traded in crypto currency & virtual currency.

(b) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(c) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(d) The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

(e) The Group has not been declared willful defaulter by any bank or financial Institution or other lender.

(f) The Group does not have any such transaction which is not recorded in the books of accounts that 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.

(g) There has not been any proceedings initiated or pending against the Group for holding any benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(h) Relationship with struck off companies

The Group has no transaction/ Balance with companies struck off under section 248 of the companies act, 2013 to the best of the knowledge of company's management except below:

Name of struck off Company	Nature of transactions/ Relationship	Balance outstanding		
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Perfect Polyplast India Private Limited	Payables/ Vendor	-	-	-
Absolut Info Systems Private Limited	Payables/ Vendor	-	-	-
Rohit Industries Group (P) Ltd.	Payables/ Vendor	-	0.09	0.08

(i) The Group does not have any charges or satisfactions, which is yet to be registered with Registrar of companies, beyond the statutory year prescribed under the Companies Act 2013 and the rules made thereunder.

(j) The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3 to the financial statements, are held in the name of the Group except the one disclosed in note 3.4.

(k) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(l) 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.

50 Certain amounts (currency value or percentages) shown in various tables and paragraphs included in these consolidated financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

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(All amounts are in INR Million, except otherwise stated)

51 Statement of restatement adjustments

(a) Restatement adjustments to audited consolidated financial statements of the Group

(i) Impact on restated consolidated total comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Total comprehensive income for the year as per audited consolidated statement of profit and loss	1,229.40	835.91	1,057.64
Restatement Adjustments:			
(i) Audit qualifications	-	-	-
(ii) Other adjustments	-	-	-
Restated total comprehensive income	**1,229.40**	**835.91**	**1,057.64**

(ii) Impact on total equity

Particulars	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
Total equity as per audited consolidated balance sheet	6,437.71	6,319.08	6,222.25
Restatement Adjustments:			
(i) Audit qualifications	-	-	-
(ii) Other adjustments	-	-	-
Restated total equity	**6,437.71**	**6,319.08**	**6,222.25**

(b) Material regrouping/ reclassification

Appropriate adjustments have been made in the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss and restated consolidated statement of cash flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group as at and for the year ended 31 March 2023, prepared in accordance with Schedule III to the Act and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended).

i) Impact on financial information line items:

Particulars	Notes	Amount as on 31 March 2022 (Reported)	Adjustments	Amount as on 31 March 2022 (Restated)	Amount as on 31 March 2021 (Reported)	Adjustments	Amount as on 31 March 2021 (Restated)
Current assets							
Trade receivables	Note 10.4	1,659.08	352.53	2,011.61	1,327.04	258.79	1,585.83
Current liabilities							
Borrowings	Note 20.1	221.92	352.53	574.44	113.45	258.79	372.24

ii) Impact on statement of Cash Flows

Particulars	As at 31 March 2022 (Reported)	Adjustments	As at 31 March 2022 (Restated)	As at 31 March 2021 (Reported)	Adjustments	As at 31 March 2021 (Restated)
Movement in working capital						
Change in trade receivables	(325.62)	(93.74)	(419.36)	(608.17)	(84.84)	(693.01)
Cash flow from financing activities						
Movement of short term borrowings (net)	47.66	93.74	141.40	(126.14)	84.84	(41.30)

The above reclassifications in previous year have been made, wherever necessary to confirm to the current year classification/disclosure and do not have any impact on the profit, hence there is no change in the restated basic and diluted earnings per share of the previous year. These reclassifications do not have any impact on the restated equity at the beginning of 31 March 2021.

(c) Non-adjusting events

(i) Audit qualifications for the respective years, which do not require any adjustments in the restated consolidated financial information are as follows:
There are no audit qualification in the auditor's reports on the consolidated financial statements for the year ended 31 March 2023, 31 March 2022 and 31 March 2021.

(ii) There were no qualifications in the Annexure to the Auditor's Reports issued under Companies (Auditor's Report) Order, 2016 on the financial statements of the Holding Company and its joint venture for the year ended 31 March 2021. Other matters reported in the Annexure to the Auditor's Reports issued under Companies (Auditor's Report) Order, 2020 (herein after referred as "CARO 2020 Order") on the financial statements of the Holding Company and its joint venture for the year ended 31 March 2023 and 31 March 2022 which do not require any adjustments in the restated consolidated financial information are as follows:

- As at and for the year ended 31 March 2023

As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 11 of the report, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such Order reports have been issued till date and made available to us:

Name	CIN	Holding Company / Subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
ASK Automotive Limited (formerly known as ASK Automotive Private Limited)	U34300DL1988PLC030342	Holding Company	Clause i(c) and ii(b)
ASK Automobiles Private Limited	U34300DL2021PTC381966	Subsidiary	Clause xvii
ASK Fras-Le Friction Private Limited	U34300DL2017PTC324954	Joint Venture	Clause ii(b), ix(d), xvii and xix

Annexure to Auditor's Report on standalone financials for the year ended 31 March 2023

ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

Clause i(c) of the CARO 2020 reporting

The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the standalone financial statements are held in the name of the Company, except for the following property, for which the Company's management is in discussion with the relevant authority to get the same registered in the name of the Company:

Description of property	Gross carrying value (INR In Million)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Land- Plot No.176, Part-1, Narsapura Industrial Area, Kolar, Bangalore	67.89	Karnataka Industrial Area Development Board (KIADB)	No	From April 2012 for 10 years lease period. Post end of lease period, land has to be transferred in the name of the company.	Nearing to completion of lease term, KIADB has demanded additional INR 33.40 Million (INR 8.35 Million per acre) as against initial price of INR 34.00 Million (INR 8.50 Million per acre) for approximately 4 acres land. The company has filed its objection against ex-parte demand of excessive enhancement and requested KIADB to review the demand due to which Land has not been transferred in Company's name post expiry of lease year.

For title deeds of immovable properties in the nature of freehold land situated at Haryana with gross carrying value of INR 737.57 Million as at 31 March 2023, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

Clause ii(b) of the CARO 2020 reporting

As disclosed in note 42 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of INR 50 Million by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were not subject to review, except for the following:

Name of the Bank / financial institution	Working capital limit sanctioned (INR In Million)	Nature of current assets offered as security	For Quarter, Information disclosed as per statement, Information as per books of accounts, Difference and Remarks, if any
HDFC Bank Limited	255.00	First Pari Passu charge on current assets and movable fixed assets of the company both present and future excluding assets exclusively financed by term lenders.	Refer details mentioned in below table
Kotak Mahindra Bank Limited	302.50	First Pari Passu hypothecation charge on all existing and future current assets and all existing and future movable fixed assets excluding assets exclusively financed by term lenders.	Refer details mentioned in below table
Axis Bank	250.00	First Pari Passu hypothecation charge on entire current assets and movable fixed assets (excluding assets exclusively financed by term lenders) both present and future of the company.	Refer details mentioned in below table
Citi Bank	252.50	First Pari Passu charge on present and future stocks and book debts and first pari passu charge on all movable fixed assets of the Company except the assets which are exclusively charged to any lender for term loan facility.	Refer details mentioned in below table

Quarter ended	Information disclosed as per statement	Information as per books of accounts	Difference	Remarks / reasons, if any
Inventories				
June 2022	1,604.44	1,604.44	Nil	Not applicable
September 2022	1,712.37	1,712.37	Nil	
December 2022	1,506.27	1,506.27	Nil	
March 2023	1,531.30	1,531.30	Nil	
Trade Receivables				
June 2022	1,714.90	2,053.18	(338.29)	The difference is on account of trade receivables discounted through sales invoice discounting facility not netted off during quarterly closure of books of accounts.
September 2022	1,814.08	2,137.98	(323.90)	
December 2022	1,439.63	1,695.10	(255.48)	
March 2023	1,799.26	2,106.21	(306.95)	
Trade Payables				
June 2022	2,109.10	2,109.10	Nil	Not applicable
September 2022	2,131.02	2,131.02	Nil	
December 2022	1,877.62	1,877.62	Nil	
March 2023	1,705.22	1,705.22	Nil	

(All amounts are in INR Million, except otherwise stated)

ASK Automobiles Private Limited

Clause xvii of the CARO 2020 reporting

The Company has incurred cash losses amounting to INR 97.18 Million during the year ended 31 March 2023 and INR 738.54 Million during the period from 7 June 2021 to 31 March 2022.

ASK Fras-Le Friction Private Limited

Clause ii(b) of the CARO 2020 reporting

As disclosed in note 19 in the financial statement, the Company has been sanctioned working capital limit in excess of INR 50 Million in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly retuns/statements filed by the company with such banks are not in agreement with books of accounts of the Company. Refer note -46 of the Financial Statements. The details are as follows:-

Quarter ended	Value as per books of account	Value as per quarterly return/ statement	Discrepancy	Reason for material discrepancy
June 2022	196.44	463.06	(266.62)	**
September 2022	105.99	322.01	(216.03)	**
December 2022	135.40	349.65	(214.26)	**
March 2022	142.44	286.68	(144.24)	**

** Remarks for material discrepancy

Quarter ended	Sales in transit	Trade payables other than for raw materials not considered	GST Recoverable / export benefits considered in trade receivables	Discount provisions added back to trade receivables	Others	Total
June 2022	20.60	142.27	37.69	59.25	6.80	266.61
September 2022	26.10	119.27	15.26	70.66	(15.25)	216.04
December 2022	19.64	119.58	7.92	59.19	7.93	214.26
March 2023	42.38	134.16	-	0.37	(32.67)	144.24

The Company does not have sanctioned working capital limits in excess of INR 50 Million in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

Clause ix(d) of the CARO 2020 reporting

On an overall examination of the financial statements of the Company, the Company has used funds raised on short term basis in the form of working capital aggregating to INR 29.60 Million for long term purposes representing acquisation of the property, plant and equipment and repayment of long-term loans.

Clause xvii of the CARO 2020 reporting

The Company has incurred cash losses of INR 2.95 Million in the current and INR 2.66 Million in the immediately preceding financial year.

Clause xix of the CARO 2020 reporting

On the basis of the financial ratios disclosed in note 47 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, and considering the Company's current liabilities exceed the current assets by INR 294.68 Million and considering the fact that the Company has obtained the letter of financial support from the joint venture partners, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.

We, further state that this is not an assurance as to the future vaibility of the Company and our reporting is based on the facts up to the date of the audit report and we niether give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- As at and for the year ended 31 March 2022

As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 11 of the report, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2022 for which such Order reports have been issued till date and made available to us:

Name	CIN	Holding Company / Subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
ASK Automotive Limited (formerly known as ASK Automotive Private Limited)	U34300DL1988PLC030342	Holding Company	Clause i(c) and ii(b)
ASK Fras-Le Friction Private Limited	U34300DL2017PTC324954	Joint Venture	Clause ii(b) and ix(d)

Annexure to Auditor's Report on standalone financials for the year ended 31 March 2022

ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

Clause i(c) of the CARO 2020 reporting

The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the standalone financial statements are held in the name of the Company, except for the following property, for which the Company's management is in discussion with the relevant authority to get the same registered in the name of the Company:

Description of property	Gross carrying value (INR In Million)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Land- Plot No.176, Part-1, Narsapura Industrial Area, Kolar, Bangalore	67.89	Karnataka Industrial Area Development Board (KIADB)	No	From April 2012 for 10 years lease period. Post end of lease period, land has to be transferred in the name of the company.	Nearing to completion of lease term, KIADB has demanded additional INR 33.40 Million (INR 8.35 Million per acre) as against initial price of INR 34.00 Million (INR 8.50 Million per acre) for approximately 4 acres land. The company has filed its objection against ex-parte demand of excessive enhancement and requested KIADB to review the demand due to which Land has not been transferred in Company's name post expiry of lease year.

For title deeds of immovable properties in the nature of factory freehold land situated at Haryana with gross carrying value of INR 737.57 Million as at 31 March 2022, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

Clause ii(b) of CARO 2020 reporting

As disclosed in note 42 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of INR 50 Million by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective years which were not subject to review, except for the following:

Name of the Bank / financial institution	Working capital limit sanctioned (INR In Million)	Nature of current assets offered as security	For Quarter, Information disclosed as per statement, Information as per books of accounts, Difference and Remarks, if any
HDFC Bank Limited	255.00	First Pari Passu charge on all the existing and future current assets.	Refer details mentioned in below table
Kotak Mahindra Bank Limited	302.50	First Pari Passu charge on all the existing and future current assets.	Refer details mentioned in below table
Axis Bank	250.00	Pari Passu charge on entire current assets both present and future of company.	Refer details mentioned in below table
Citi Bank	252.50	First Pari Passu charge on present and future stocks and book debts of the borrower.	Refer details mentioned in below table

Quarter ended	Information disclosed as per statement	Information as per books of accounts	Difference	Remarks / reasons, if any
Inventories				
June 2021	1,190.37	1,421.99	(231.62)	As Informed by the management, quarterly statement filed with bank were on provisional numbers and difference is mainly on account of Goods in Transit and Provisions, which were subsequently recorded / adjusted in the books of accounts by the Company.
September 2021	1,316.33	1,593.76	(277.43)	
December 2021	1,187.51	1,381.16	(193.65)	
March 2022	1,246.86	1,243.70	3.16	
Trade Receivables				
June 2021	1,323.91	819.74	504.17	
September 2021	1,864.30	1,298.44	565.86	
December 2021	1,774.78	1,353.14	421.64	
March 2022	1,641.11	1,659.08	(17.97)	
Trade Payables				
June 2021	1,438.09	1,529.36	(91.27)	As Informed by the management, quarterly statement filed with bank were on provisional numbers and difference is mainly on account of Provisions, which were subsequently recorded / adjusted in the books of accounts by the Company.
September 2021	1,950.70	2,114.92	(164.22)	
December 2021	1,555.01	1,690.02	(135.01)	
March 2022	1,794.63	1,787.90	6.73	

(This space has been intentionally left blank)

(All amounts are in INR Million, except otherwise stated)

ASK Fras-Le Friction Private Limited

Clause ii(b) of CARO 2020 reporting

As disclosed in Note 19 in the financial statement, the Company have been sanctioned working capital limit in excess of INR 50 Million in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are not in agreement with the books of accounts of the Company. Refer Note-46 of the Financial Statements. The details are as follows:-

Quarter ending	Value per books of account	Value per quarterly return/statement	Discrepancy	Reasons for material discrepancy
June 2021	102.88	332.45	(229.57)	**
September 2021	156.03	425.56	(269.53)	**
December 2021	210.99	465.47	(254.47)	**
March 2022	222.33	439.37	(217.04)	**

** Remarks for material discrepancy:-

Quarter ending	Sales in transit	Trade payables other than for raw material not considered	GST Recoverable / export benefits considered in trade receivables	Discount provisions added back to trade receivables	Others	Total
June 2021	30.27	86.46	69.92	39.80	3.12	229.57
September 2021	46.71	113.84	58.53	41.20	9.26	269.54
December 2021	28.15	106.94	43.38	48.52	27.49	254.48
March 2022	23.48	103.35	55.68	49.21	(14.67)	217.05

The Company does not have sanctioned working capital limits in excess of INR 50 Million in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

Clause ix(d) of CARO 2020 reporting

On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis in the form of working capital aggregating to INR 132.50 Million for long-term purposes representing acquisition of property, plant and equipment and repayment of loans.

(iii) Material Uncertainty Related to Going Concern which do not require any adjustments in the restated consolidated financial information:

ASK Fras-Le Friction Private Limited

- As at and for the year ended 31 March 2023

We draw attention to Note 2.1 (v) to the financial statements which indicate that the Company has incurred a net loss during the current year and previous year and the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions along with other matters set forth in Note 2.1(v), indicate the existence of a material uncertainty that may cast significant doubt about on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

- As at and for the year ended 31 March 2022

We draw attention to Note 2.1(v) of the Financial Statement which, indicate that, the Company has incurred a net loss during the current and previous year and the Company's current liabilities exceeded its current assets as the balance sheet date. These conditions along with other matters set forth in Note 2.1 (v), indicate the existence of a material uncertainty that may cast significant doubt about on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

52 No significant subsequent events have occurred post the balance sheet date 31 March 2023 which may require an adjustment to the restated consolidated financial information.

53 **Authorisation of Financial Information**
The Restated Consolidated financial information were approved by the board of directors on 16 May 2023.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

Ashish Gera
Partner
Membership No.: 508685

Place: Gurugram
Date: 16 May 2023

Kuldip Singh Rathee
Managing Director
DIN: 00041032

Place: Gurugram
Date: 16 May 2023

Prashant Rathee
Executive Director
DIN: 00041081

Naresh Kumar
Chief Financial Officer

Rajani Sharma
Company Secretary
M. No. 14391

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company, for the years ended March 31, 2023, March 31, 2022, and March 31, 2021, together with all the annexures, schedules and notes thereto (collectively, the "**Audited Standalone Financial Statements**") are available at www.askbrake.com/financial-information. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Standalone Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Standalone Financial Statements and the reports thereon should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, its Subsidiary or any entity in which it or its shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. Neither the Company, its Subsidiary or any of its advisors, nor any of the BRLMs or the Promoter Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Standalone Financial Statements, or the opinions expressed therein.

The details of accounting ratios derived from our Restated Consolidated Financial Information required to be disclosed under Paragraph 11 of Part A of Schedule V of the SEBI ICDR Regulations are set forth below:

Particulars	For Fiscal 2023	For Fiscal 2022	For Fiscal 2021
Basic earnings per share (in ₹)	6.18	4.09	5.22
Diluted earnings per share (in ₹)	6.18	4.09	5.22
RoNW (in %)	19.10%	13.08%	17.07%
NAV per Equity Share (in ₹)	32.66	31.46	30.58
EBITDA* (in ₹ million)	2,475.45	1,822.58	2,101.12

Notes:

The ratios on the basis of Restated Consolidated Financial Information have been computed as below:

1. *Basic EPS and Diluted EPS = Profit attributable to the equity shareholders/ Weighted average number of equity shares outstanding during the year. The weighted average number of Equity Shares outstanding during the year is adjusted for bonus issue of Equity Shares and buy back of Equity Shares completed by our Company.*
2. *Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share'.*
3. *Return on Net Worth (%) is calculated as profit after tax divided by total equity as at respective year end. Total equity = equity share capital + other equity. Profit after tax attributable to the equity Shareholders of our Company, equity share capital and other equity numbers.*
4. *Net asset value per equity share =Net worth as of the end of relevant year divided by the number of equity shares outstanding at the end of the year. Net worth represents aggregate value of equity share capital and other equity.*
5. *EBITDA is calculated as profit before share of net profits/losses of joint venture, exceptional items and tax plus finance costs plus depreciation and amortisation expense.*
6. *PAT Margin (%) is calculated as Profit after tax for the year as a % of Total Income.*
7. *RoAE is calculated as Total Comprehensive Income for the year divided by Average Equity for the year. Average Equity is calculated as average of the total equity at the beginning of the year and at the end of the year. Total Equity is calculated as equity share capital plus other equity plus non-controlling interest. However, for calculation of average equity for Fiscal 2021, equity at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information .*

Non-GAAP measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP measures are useful to Bidders in evaluating our operating performance and liquidity. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively with financial measures disclosed in financial statements and prepared in accordance with Ind AS, may be helpful to Bidders because it provides an additional tool for Bidders to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures of our performance and liquidity that is not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. Further, these non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information disclosed in financial statements and presented in accordance with Ind AS. Non-GAAP financial information are not standardised terms, hence a direct comparison of these non-GAAP Measures between companies may not be possible and these measures may be different from similarly titled non-GAAP measures used by other companies. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Non-GAAP financial measures are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP. Our non-GAAP financial measures are not a measurement of financial performance or liquidity under these accounting standards and should not be construed in isolation or construed as an alternative to cash flows, restated loss for the period or any other measures of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated from our operating, investing or financing activities, derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for the non-GAAP financial measures to the most directly comparable financial measure disclosed in financial statements. Bidders are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business. For further details, see "***Risk Factors – Other risks – This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial performance. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the manufacturing industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other manufacturing companies***" on page 65.

Reconciliation of Non-GAAP Measures

Reconciliation for the various Non-GAAP Measures included in this Draft Red Herring Prospectus are given below:

EBITDA, EBITDA Margin (%), PAT and PAT Margin (%)

(Amount in ₹ million, unless otherwise specified)

Particulars	As at/for the Fiscal ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Profit before share of net profits/losses of joint venture, accounted for using equity method and taxes (A)	1,756.50	1,182.66	1,473.68
Finance costs (B)	111.90	80.82	108.51
Depreciation and amortization expense (C)	607.05	559.10	518.93
EBITDA (D = A+B+C)	**2,475.45**	**1,822.58**	**2,101.12**
Total income (E)	25,662.79	20,242.60	15,677.67
EBITDA Margin (%) (F=D/E*100)	**9.65%**	**9.00%**	**13.40%**
Profit after tax for the year (G)	1,229.53	826.59	1,062.01
PAT Margin (%) (H = G/E*100)	**4.79%**	**4.08%**	**6.77%**

Net Worth, Return on Net Worth (%), Net Asset Value per Equity Share

(Amount in ₹ million, unless otherwise specified)

Particulars	As at/for the Fiscal ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Equity Share capital (A)	394.29	401.79	406.89
Other Equity (B)	6,043.42	5,917.29	5,815.36
Total Equity (C=A+B)	**6,437.71**	**6,319.08**	**6,222.25**
Profit after tax for the year (D)	1,229.53	826.59	1,062.01

Particulars	As at/for the Fiscal ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Return on Net Worth (%) (E=D/C*100)	**19.10%**	**13.08%**	**17.07%**
Number of equity shares outstanding at the end of the year (F)	197,142,600	200,892,600	203,442,600
Net Asset Value per Equity Share (₹) *(G=C/F)*	**32.66**	**31.46**	**30.58**

Return on Average Capital Employed (%)

(Amount in ₹ million, unless otherwise specified)

Particulars	As at/for the Fiscal ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Total Equity as at the end of the year (A)	6,437.71	6,319.08	6,222.25
Non Current Liabilities as at the end of the year (B)	2,651.11	1,648.28	1,008.19
Non Current lease Liability as at the end of the year (C)	26.52	87.31	32.48
Capital Employed as at the end of the year (D=A+B-C)	**9,062.31**	**7,880.05**	**7,197.96**
Capital Employed as at the beginning of the year (H)	**7,880.05**	**7,197.96**	-*
Average Capital Employed (I= Average of D and H)	**8,471.18**	**7,539.00**	**7,197.96**
EBITDA (J)	2,475.45	1,822.58	2,101.12
Depreciation and amortization expense (K)	607.05	559.10	518.93
EBIT (L=J-K)	1,868.40	1,263.48	1,582.19
Return on Average Capital Employed (RoACE) (%) (M=L/I)	**22.06%**	**16.76%**	**21.98%**

Debt, Average Debt (%), Average Debt to EBITDA Ratio, Debt to Equity Ratio (Gearing Ratio)

(Amount in ₹ million, unless otherwise specified)

Particulars	As at/for the Fiscal ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Non-current borrowings as at the end of the year (A)	2,088.47	1,023.49	426.70
Current borrowings as at the end of the year (B)	1,091.64	574.44	372.24
Total Borrowings/ Debt as at the end of the year (C=A+B)	**3,180.11**	**1,597.93**	**798.94**
Total Borrowings/ Debt as at the beginning of the year (D)	1,597.93	798.94	-*
Average Debt (E=Average of C and D)	**2,389.02**	**1,198.44**	**798.94**
EBITDA (F)	2,475.45	1,822.58	2,101.12
Average Debt to EBITDA Ratio (G=E/F)	**0.97**	**0.66**	**0.38**
Total Equity (H)	6,437.71	6,319.08	6,222.25
Debt to Equity Ratio (Gearing Ratio) (I=C/H)	**0.49**	**0.25**	**0.13**

Asset Turnover Ratio

(Amount in ₹ million, unless otherwise specified)

Particulars	As at/for the Fiscal ended		
	March 31, 2023	March 31, 2022	March 31, 2021
Total Assets as at the end of the year (A)	12,812.08	11,055.63	9,482.53
Total Assets as at the beginning of the year (B)	11,055.63	9,482.53	-*
Average Total Assets (C=Average of A and B)	**11933.85**	**10269.08**	**9482.53**
Revenue from operations (D)	**25,551.67**	**20,130.83**	**15,439.92**
Asset Turnover Ratio (times) (D/C)	**2.14**	**1.96**	**1.63**

[*] Balance at the beginning of the year ended March 31, 2021 has not been considered since it does not form part of Restated Consolidated Financial Information.

Related Party Transactions

For details of the related party transactions as per Ind AS 24 read with the SEBI ICDR Regulations for the Financial Years 2023, 2022 and 2021, see "***Restated Consolidated Financial Information – Notes forming part of restated consolidated financial information – 39 Related party disclosures***" on page 302.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiary avail credit facilities in the ordinary course of business for meeting our capital expenditure, working capital and other business requirements. We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including, *inter alia*, for effecting a change in our shareholding pattern, for effecting a change in the composition of our Board, and for amending our constitutional documents. For details regarding the borrowing powers of our Board, see "***Our Management – Borrowing Powers***" on page 252.

Our Company has also provided loans to our Joint Venture and corporate guarantees in relation to the loans availed by our Joint Venture and our Subsidiary. These have been recognized as contingent liability in our Restated Consolidated Financial Information. For further details, see "***Risk Factors – Risks related to our financial position – We have been extending financial support to our Joint Venture, ASK Fras-Le Friction Private Limited, that has incurred losses in the last three Fiscals***" on page 43.

The details of our aggregate indebtedness, on a consolidated basis, as on March 31, 2023 is provided below:

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount as on March 31, 2023*
Secured		
Term loans	**3,090.00**	**2,318.21**
Working capital facilities*	**1,460.00**	**580.19**
- Fund-based	1,452.50	539.90
- Non-fund based*	807.50	40.29
Interest accrued but not due	**-**	**13.02**
Unsecured		
Working capital facilities		
- Fund-based#	**500.00**	**322.00**
Total indebtedness	**5,050.00**	**3,233.42**

* *As certified by B.B. & Associates, Chartered Accountants, pursuant to their certificate dated Jun 12, 2023.*

** *₹ 800.00 million of non-fund-based facilities is sublimit of and interchangeable with fund-based facilities. Balance ₹. 7.50 million of non-fund-based facilities is separate sanction limit for Letter of credit which is not interchangeable with fund-based facilities.*

\# *Represents borrowings on account of sales invoice discounting.*

Key terms of our borrowings

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

Interest rate: Our term loans, working capital term loan and cash credit facilities typically provide for a floating rate of interest linked to the applicable lending rates, except the term loan availed from Bajaj Finance Limited and cash credit facility availed from Citibank N.A. that provide for fixed rates of interest of 6.75% per annum and 8% per annum, respectively. Our working capital (non-fund based) facilities typically provide for fixed rates of commission that range from 0.70% to 1.25%. Interest rates of our working capital demand loans will be as decided at the time of the relevant disbursement.

Tenor and repayment: The tenor of our working capital facilities typically ranges from 60 days to 36 months and they are typically repayable on demand. Our term loans are typically repayable within maximum seven years.

Prepayment: The arrangements for certain of the borrowings availed of by our Company include provisions which may carry a pre-payment penalty on the pre-paid amount or on the outstanding amount subject to terms and conditions stipulated under the loan documents may also require prior written consent of the lender.

Security: In accordance with the terms of our borrowings, we have provided security by way of, *inter alia*:

(a) first pari passu charge/second charge on our existing and future current assets;

(b) first pari passu charge/second charge on all existing and future movable fixed assets;

(c) first pari passu charge on present and future stocks and book debts;

(d) equitable mortgage on our manufacturing unit, ASK-1;

(e) exclusive charge over plant and machinery; and/or

(f) exclusive charge on fixed deposits.

Restrictive covenants: Borrowing arrangements entered into by our Company typically contain various restrictive conditions and covenants mandating either the prior written consent and/or an intimation to our lenders in respect of certain corporate actions. An indicative list of such covenants is set forth below.

(a) any change in the capital structure, promoter shareholding, promoter directorship resulting in change in management control;

(b) opening a new current account with any other bank;

(c) change in name or trade name of the Company;

(d) effect any dividend payout in case of delay in debt servicing or breach of any financial covenants;

(e) change in accounting standards and accounting year;

(f) amendments in the Company's constitutional documents; and

(g) enter into any scheme of merger, amalgamation, compromise or reconstruction or do a buyback.

Events of default: In terms of the borrowing arrangements entered into by our Company, the occurrence of any of the following, *inter alia*, constitutes an event of default:

(a) failure to promptly pay amount owed as and when it becomes due and payable;

(b) making false or misleading representations;

(c) entering into any arrangement or composition with the creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of the Company;

(d) execution or distress or other process being enforced or levied upon or against the whole or any part of the Company's property whether secured to the lender or not;

(e) any order being made or a resolution being passed for the winding up of the Company;

(f) a receiver being appointed in respect of the whole or any part of the property of the Company;

(g) the Company being adjudicated insolvent;

(h) the Company ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so; and

(i) cross-default under other borrowings of our Company.

Consequences of events of default: In terms of our borrowing arrangements, the following, *inter alia*, are the consequences of occurrence of events of default, whereby our lenders may:

(a) declare all or part of the loan obligations to be immediately payable;

(b) sell or dispose of or deal with the secured assets;

(c) declare lender's obligations to be terminated and cancelled;

(d) terminate the sanctioned facilities; and

(e) to exercise rights available under any law.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by us, and the same may lead to consequences other than those stated above.

We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer. For further details of financial and other covenants required to be complied with in relation to our borrowings, see "***Risk Factors – Risks related to our financial position – We have incurred significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition***" on page 48.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2023, derived from our Restated Consolidated Financial Information and as adjusted for the Offer. This table below should be read in conjunction with the sections titled "***Risk Factors***", "***Restated Consolidated Financial Information***", "***Other Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", beginning on pages 29, 269, 334 and 341, respectively.

(₹ in million, except %)

Particulars	Pre-Offer as at March 31, 2023	As adjusted for the proposed Offer#
Total Borrowings		Refer notes below.
Non-current borrowings * (A)	2,088.47	
Current borrowings (including current maturities of long term borrowing)* (B)	1,091.64	
Total Borrowings (C) = (A+B)	**3,180.11**	
Total Equity		
Equity share capital*	394.29	
Other equity*	6,043.42	
Total equity (D)	**6,437.71**	
Total (E) = (C) + (D)	**9,617.82**	
Non-current borrowings/Total equity (A/D)	**0.32**	
Total borrowings/Total equity (C/D)	**0.49**	

Notes:

* *These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).*

\# *There will be no change in capital structure post the Offer since it is an initial public offering by way of an Offer for Sale by the Promoter Selling Shareholders.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations for Fiscals 2023, 2022 and 2021 should be read in conjunction with our Restated Consolidated Financial Information beginning on page 269. Unless the context otherwise requires, in this section, references to "we", "us" or "our" refers to our Company and Subsidiary on a consolidated basis. Unless the context otherwise requires, references to our "Company" refers to ASK Automotive Limited on a standalone basis.

*This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance, which are subject to numerous risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "**Forward Looking Statements**" and "**Risk Factors**" beginning on pages 18 and 29, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our Financial Year or Fiscal ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 included in this section has been derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus beginning on page 269. We have also included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Information. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "**Risk Factors - Internal Risk Factors – Other Risks - Our Company has prepared financial statements under Indian Accounting Standards. Significant differences exist between Indian Accounting Standards and other accounting principles.**" on page 63.*

*Unless otherwise indicated, industry and market data used in this Draft Red Herring Prospectus has been extracted or derived from the CRISIL Report. We commissioned and paid for the CRISIL Report pursuant to an engagement letter dated November 25, 2022, for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. The CRISIL Report will be available on the website of our Company at www.askbrake.com/Inspection-material-documents. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See "**Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data**", "**Risk Factors - Internal Risk Factors - Other Risks - This Draft Red Herring Prospectus contains information from an industry report, prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer and reliance on such information for making an investment decision in the Offer is subject to certain inherent risks**" and "**Industry Overview**" on pages 16, 64 and 127, respectively.*

Overview

We are the largest manufacturer of brake-shoe and advanced braking ("**AB**") systems for two-wheelers ("**2W**") in India with a market share of approximately 50% in Fiscal 2022 in terms of production volume for original equipment manufacturers ("**OEMs**") and the branded independent aftermarket ("**IAM**"), on a combined basis (*Source: CRISIL Report*). We have been supplying safety systems and critical engineering solutions for more than three decades with in-house designing, developing and manufacturing capabilities. Our offerings are powertrain agnostic, catering to electric vehicle ("**EV**") as well as internal combustion engine ("**ICE**") OEMs. Our brand "ASK" is recognised as the leading brand in the 2W IAM in terms of production volume for Fiscal 2022 in India (*Source: CRISIL Report*).

Our in-house design and engineering capabilities enable us to deliver complex precision components and solutions with a focus on quality and have allowed us to diversify our business in both the automotive and non-automotive sectors. We commenced our operations in 1989 by manufacturing brake shoe products for 2Ws and have since diversified our operations to include offerings such as: (i) AB systems; (ii) aluminium lightweighting precision ("**ALP**") solutions, where we are a prominent player for 2W OEMs in India with a market share of 8% in Fiscal 2022 in terms of production volume (*Source: CRISIL Report*); (iii) wheel assembly to 2W OEMs; and (iv) safety control cables ("**SCC**") products. We supply our portfolio of AB systems, ALP solutions, wheel assembly, and SCC products to OEMs in (i) the automotive sector for 2Ws, three wheelers ("**3Ws**"), passenger vehicles ("**PVs**") and commercial vehicles ("**CVs**"), and (ii) the non-automotive sector for all-terrain vehicles ("**ATVs**"), power tools and outdoor equipment.

The following table sets forth our revenue from operations across offerings for the Fiscals indicated, including as a percentage of our revenue from operations:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount (₹ million)	*% of total revenue from operations*	*Amount (₹ million)*	*% of revenue from operations*	*Amount (₹ million)*	*% of total revenue from operations*
AB systems [1]	10,672.27	41.77%	9,287.18	46.13%	8,165.45	52.89%
ALP solutions	9,931.65	38.87%	7,556.74	37.54%	4,897.04	31.72%
Wheel assembly [2]	3,513.98	13.75%	2,408.96	11.97%	1,687.11	10.93%
SCC products	888.93	3.48%	509.66	2.53%	437.01	2.83%
Others [3]	544.84	2.13%	368.29	1.83%	253.31	1.64%
Revenue from Operations	**25,551.67**	**100.00%**	**20,130.83**	**100.00%**	**15,439.92**	**100.00%**

Notes:

*(1) Excluding revenue of our Joint Venture ASK FRAS-LE Friction Private Limited ("**AFFPL**").*

(2) Revenue from providing wheel assembly services for 2W OEMs.

(3) "Others" include revenue from scrap, dies and other unallocable sales. *For further details, see "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" on page 341.*

Braking systems and SCC are considered critical for road safety, requiring technological knowhow and R&D to develop effective and economical products (*Source: CRISIL Report*). Furthermore, braking products have high entry barriers because they are developed using proprietary material formulations and manufacturing knowhow (*Source: CRISIL Report*). SCC are important parts in the automotive industry, used in motorcycles, scooters, mopeds and 2W EVs to actuate, control and operate critical applications including brake, accelerator, clutch, transmission gear, speedometer, fuel lid, seat lock, choke and battery charging lid (*Source: CRISIL Report*).

ALP solutions and products improve performance, safety and efficiency by reducing the weight of components, and assisting in thermal management, thereby increasing durability (*Source: CRISIL Report*). Precision aluminium alloy parts are a critical requirement of the industry, and they are also environmentally friendly and meet end-of-life compliance standards for vehicles (*Source: CRISIL Report*).

We supplied our products to all of the top six 2W OEMs (in terms of production volume and value in Fiscal 2022) in India, the largest motorized 2W market in the world, with domestic sales of 13.73 million units during Fiscal 2022 (*Source: CRISIL Report*). In Fiscal 2022, we commenced commercial supplies to 2W EV OEMs in India, including, India's largest 2W EV OEM by market share in calendar year 2022 (by retail sales volume) (*Source: CRISIL Report*), TVS Motor Company Limited ("**TVS**"), Ather Energy Private Limited ("**Ather**"), Hero MotoCorp Limited ("**Hero MotoCorp**"), Greaves Electric Mobility Private Limited ("**Greaves**"), Bajaj Auto Limited ("**Bajaj**") and Revolt Intellicorp Private Limited ("**Revolt**"). We have long-standing relationships with all six of our top 2W OEM customers ranging from 15 years to more than 20 years, as set out in the table below:

S. No.	Name or description of the customer	Number of years of customer relationship as of March 31, 2023
1.	Hero MotoCorp	29
2.	Honda Motorcycle and Scooter India ("**HMSI**")	22
3.	Bajaj	21
4.	India Yamaha Motor Private Limited ("**Yamaha**")	20
5.	TVS	19
6.	Suzuki Motorcycle India Private Limited ("**Suzuki**")	15

In addition to our customers in India, our Company also increasingly caters to customers overseas, both in the automotive and non-automotive sectors through export of AB systems and ALP solutions. Automotive customers outside India include UFI Filters India Private Limited ("**UFI Filters**"), Federal-Mogul Italy s.r.l. – racing & motorcycle division ("**Federal-Mogul**"), and FDP Virginia Inc., and our non-automotive customers outside India include Stanley Black & Decker, Polaris Industries Inc. ("**Polaris**") and MTD Products Inc. ("**MTD Products**").

We operate 15 manufacturing facilities across five states in India, majority of which are strategically located in close proximity to our OEM customers and we are developing one new manufacturing facility in Rajasthan. We have also been allotted land in Karnataka by the relevant regulatory authority, on which we propose to develop a manufacturing facility. In addition, our Joint Venture operates one manufacturing facility in Haryana. For further details on our manufacturing facilities, see "***– Manufacturing Locations***" on page 196.

Our business is driven by technology and know-how of advanced material engineering and precision engineering. We focus on design and R&D with more than 30 years of experience in developing customised products to meet the evolving needs of our customers. Our R&D capabilities include: (i) our advanced material engineering capabilities, with a portfolio of 52 proprietary formulations (of which seven had been licensed to us) as of March 31, 2023, that we use in the production of AB systems for 2Ws, 3Ws, PVs and CVs, customized to safety, durability and performance specifications of EV and ICE OEMs; and (ii) our precision engineering, in-house tool designing, design simulation, prototyping and manufacturing abilities, provide us with a competitive advantage in quality, cost and delivery ("**QCD**") parameters. We have the ability to design and develop precision lightweighting solutions for OEMs meeting precise design, technical and quality specifications, enabling automotive OEMs enhance vehicle safety, performance, durability and overall efficiency. Our ability to develop precision lightweighting solutions also enables us to supply critical systems and solutions for ATVs, power tools and outdoor equipment.

For EVs, our lightweighting solutions seek to enable improved thermal management, vehicle range, performance and overall efficiency, while also enhancing the safety of the EV.

We have entered into technology licensing arrangements with global companies as follows: (i) a Japanese manufacturer of asbestos-free brake shoes supplying to 2W manufacturers globally; (ii) NUCAP Industries Inc., Canada ("**NUCAP**") – a global player in patented retention systems (mechanical bonding) for disc brake pads in the 2W, PV and CV sectors; and (iii) Safety Control Cable Ind. Co. Limited ("**HSH**") – a SCC manufacturer serving automobile OEMs globally. We also have a license agreement with a research organisation in the defence sector, pursuant to which we have licensed a semi-solid metal processing technology for Aluminium casting for our ALP solutions. For further details on our technical collaborations, see "– ***Research and Development – Technical Collaborations***" on page 214.

Additionally, our Joint Venture AFFPL supplies AB products to the global and Indian IAM for CVs. Its products have recently been approved by two prominent CV OEMs in India and supplies have commenced.

Our Company is led by our Promoter, Chairman and Managing Director, Mr. Kuldip Singh Rathee, a first-generation entrepreneur who with his experience of more than three decades, has guided our Company to its current market position in the automotive components industry. Furthermore, our Company is run by a professional management team that is guided by our experienced leadership team. For further details on our Directors, Key Management Personnel and Senior Management, see "***Our Management***" on page 241.

We are also committed to sustainability as part of our Environmental, Social and Governance ("**ESG**") focus and have undertaken several initiatives toward our ESG goals. For more details on our ESG initiatives, see "***– Health, Employee Safety, Environment, Social and Governance – Environment, Social and Governance***" on page 218.

We have received numerous awards for quality, performance, delivery, new product development and financial management from our customers. For a list of our awards, see "***History and Certain Corporate Matters – Key awards, accreditations and recognition***" on page 233.

Significant Factors Affecting our Financial Condition and Results of Operations

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review and are likely to continue to affect them in the future.

Our customers and their purchasing patterns

Our financial performance has largely been driven by, and a key factor to our future success will be, our ability to continue to deliver value for our customers, increase our customer base, and deepen our relationships with our existing customers. Our experience in developing complex critical safety systems and solutions has led to established relationships with several customers. Globally, our automotive customers include players such as UFI Filters, Federal-Mogul, and FDP Virginia Inc., and non-automotive customers such as Stanley Black & Decker, Polaris and MTD Products. In India, our customers include the top six 2W OEMs (in terms of production volume and value for Fiscal 2022) (*Source: CRISIL Report*), and we have been serving each of them for 15 years as of March 31, 2023, and some of them since 1994. We have been successful in developing customer relationships and supply to EV based 2W OEMs in India such as India's largest 2W EV OEM by market share in calendar year 2022 (by retail sales volume) (*Source: CRISIL Report*), TVS, Ather, Hero MotoCorp, Greaves, Bajaj and Revolt.

We derive our revenue mainly from the sale of products to original equipment manufacturers ("**OEMs**") and the independent aftermarket ("**IAM**"). The breakdown of our revenue from operations is set forth in the table below for the Fiscals stated.

	Fiscal 2023		**Fiscal 2022**		**Fiscal 2021**	
Particulars	***Revenue (₹ million)***	***% of total revenue from operations***	***Revenue (₹ million)***	***% of total revenue from operations***	***Revenue (₹ million)***	***% of total revenue from operations***
Revenue from Automotive Sector OEMs *						
2W ICE	18,962.50	74.21%	14,450.02	71.78%	10,815.26	70.05%
2W EV	447.22	1.75%	94.64	0.47%	0.22	0.00%
Others (1)	117.72	0.46%	147.89	0.73%	121.38	0.79%
Total Revenue from Automotive OEMs *	**19,527.44**	**76.42%**	**14,692.55**	**72.98%**	**10,936.86**	**70.84%**
Non-Automotive OEM *	**707.73**	**2.77%**	**743.54**	**3.69%**	**198.60**	**1.29%**
IAM	**2,803.42**	**10.97%**	**2,546.21**	**12.65%**	**2,353.15**	**15.24%**
Others (2)	**2,513.08**	**9.84%**	**2,148.53**	**10.68%**	**1,951.31**	**12.63%**
Revenue from Operations	**25,551.67**	**100.00%**	**20,130.83**	**100.00%**	**15,439.92**	**100.00%**

** Includes sale of original equipment spares*

Notes:

(1) *Others includes 3W, PV and CV OEMs*

(2) *Others includes sales to component manufacturers (Tier1 and Tier2) for onward sales to OEMs, scrap, dies and other unallocable sales*

Our ability to manage and sustain customer relationships is critical to our business. Historically, our revenue from operations from our top three customers has been significant.

Our revenue from operations from our top three customers is set forth below for the Fiscals stated.

	Fiscal 2023		**Fiscal 2022**		**Fiscal 2021**	
Particulars	***Revenue (₹ in million)***	***% of total revenue from operations***	***Revenue (₹ in million)***	***% of total revenue from operations***	***Revenue (₹ in million)***	***% of total revenue from operations***
Customer 1	8,821.34	34.52%	6,889.24	34.22%	4,930.61	31.93%
Customer 2	3,977.31	15.57%	2,707.08	13.45%	1,801.81	11.67%
Customer 3	2,743.66	10.74%	2,357.33	11.71%	1,650.11	10.69%
Total revenue from top three customers	**15,542.31**	**60.83%**	**11,953.65**	**59.38%**	**8,382.53**	**54.29%**

Going forward, we expect the significance of our top three customers to remain high. A change in our relationship with any of our significant customers will impact our business leading to a reduction in our sales. Furthermore, the loss of any of our top three customers, including as a result of any dispute with or disqualification by them, will have an adverse effect on our business and results of operations. For further information, see "***Risk Factors - Internal Risk Factors - Risks relating to our business - We are dependent on our top three customers who contribute more than 50.00% of our revenue from operations with our single largest customer contributing more than 30.00% of our revenue from operations in each of the last three Fiscals. Loss of any of these customers or a reduction in purchases by any of them could adversely affect our business, results of operations and financial condition.***" on page 31.

The demand of our top customers' products has a strong influence on our revenue from operations as our sales are directly impacted by the production and inventory levels of our customers' products. Increased sales of our customers' products tend to increase our revenue from operations, while a slow-down in the demand for our customers' products tends to lead to a lower revenue from operations. We expect the successful launches of new models by our top customers to positively impact our results of operations, increasing our revenue from operations from sale of our products. Accordingly, our revenue from operations has generally increased with the growth of our customers' business over time.

Our sales of products to our OEM customers also depend largely on the number and type of products that we supply to them, and our ability to increase our overall share of their purchases. The effect of variations in our customers' purchasing patterns is dependent on the accuracy of order forecasts provided by them. It may be difficult for us to predict with certainty whether our customers will decide to increase or decrease the inventory levels or levels of production of a particular model to which we supply our products, the 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. For instance, some OEMs are pursuing a strategy of localization of production for each market, while others are consolidating their global platforms in one or more low-cost manufacturing jurisdiction for eventual distribution to other countries. In addition, certain OEMs are seeking to consolidate their suppliers, particularly with suppliers who are able to manufacture complex and high-quality components, scale up production and supply products across a number of geographies. Any changes in the levels of inventory and activity by our customers, in turn, are likely to affect our revenues and results of operations.

Furthermore, we generally do not have firm commitment of volumes under our supply agreements with most of our customers, with customers typically providing us forecasts of orders for the immediate month, and with a tentative delivery schedule for the following month, which help us predict our production volumes for that particular product. When actual production volumes differ significantly from our estimates, we generally seek to make up any shortfalls through new orders, either with existing or new customers, which may not materialize or materialize with a time lag.

In respect of the IAM category, our ability to manage and sustain dealer relationships is also important for the growth of our business. We cultivate and maintain our relationships with our dealers in various ways, such as through providing competitive prices, allowing leverage in payments through early payment discounts, bulk purchase incentive schemes and turnover linked incentives.

Terms of our customer arrangements and pricing of our products

The Indian economy has had sustained periods of high inflation in the past three Fiscals (*Source: CRISIL Report*). High rates of inflation could cause a rise in Indexed Costs and Non-Indexed Costs. Indexed Costs are costs of specified input materials (such as Aluminium, bought-out parts, and certain paints and packaging materials), where any change or impact in cost is passed on to/or compensated by the customer, through an indexation mechanism or formula for each product, based on the bill of material thereof. Non-Indexed Costs are costs where there is no indexation mechanism or formula for passing on or compensating the other production costs such as cost of fuel, spares, manpower, inventory carrying cost and currency fluctuations. While our customer agreements and purchase orders typically do not contain any provisions enabling us to pass increases in costs to our customers, to retain our competitive edge, we try to pass any increases in input costs (Indexed Costs as well as Non-Indexed Costs) by engaging in discussions and negotiations with our customers. In line with the prevailing industry practice, we are typically able to pass on increases in Indexed Costs to our customers. Furthermore, several customers also generally negotiate for price reductions as the volume of their orders increase, in order to take advantage of economies of scale. For the IAM category, prices are reviewed and revised monthly based upon the change in input costs and other market dynamics.

The table below sets forth the total price reductions offered by us for the Fiscals stated.

Description	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	(₹ in million)	***% of total revenue from operations***	***(₹ in million)***	***% of total revenue from operations***	***(₹ in million)***	***% of total revenue from operations***
Discount, rebates, credits, etc.	280.64	1.10%	277.43	1.38%	387.83	2.51%

In instances where we cannot pass on the increases in Non-Indexed Costs as a result of inflation, we absorb these costs or try to offset them by increasing efficiencies in order to maintain a competitive price for our customers.

Product mix

We commenced our operations by manufacturing brake shoe products for two-wheeler ("**2W**") and have since diversified our operations to include products such as: (i) AB systems ; (ii) Aluminium lightweighting precision ("**ALP**") solutions (iii) wheel assembly to 2W OEMs; and (iii) safety control cables ("**SCC**") products. We supply our portfolio of AB systems, ALP solutions and SCC products to OEMs, tier 1 and tier 2 component manufacturers for onward supply to OEMs, and the IAM in (i) the automotive sector for 2Ws, three wheelers ("**3Ws**"), passenger vehicles ("**PVs**") and commercial vehicles ("**CVs**"), and (ii) the non-automotive sector for all-terrain vehicles ("**ATVs**"), power tools and outdoor equipment.

The following table sets forth our revenue from operations across products and services for the Fiscals stated, including as a percentage of our revenue from operations:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Amount (₹ million)	***% of total revenue from operations***	***Amount (₹ million)***	***% of revenue from operations***	***Amount (₹ million)***	***% of total revenue from operations***
AB systems [(1)]	10,672.27	41.77%	9,287.18	46.13%	8,165.45	52.89%
ALP solutions	9,931.65	38.87%	7,556.74	37.54%	4,897.04	31.72%
Wheel assembly [(2)]	3,513.98	13.75%	2,408.96	11.97%	1,687.11	10.93%
SCC products	888.93	3.48%	509.66	2.53%	437.01	2.83%
Others [(3)]	544.84	2.13%	368.29	1.83%	253.31	1.64%
Revenue from Operations	**25,551.67**	**100.00%**	**20,130.83**	**100.00%**	**15,439.92**	**100.00%**

Notes:

[(1)] *Excluding revenue of our Joint Venture ASK FRAS-LE Friction Private Limited ("**AFFPL**").*

[(2)] *Revenue from providing wheel assembly services for 2W OEMs.*

[(3)] *"Others" include revenue from scrap, dies and other unallocable sales.*

We have a comprehensive portfolio of EV and powertrain-agnostic products and as of March 31, 2023 were supplying safety systems and critical engineering solutions to nine 2W EV OEMs in India. We intend to leverage our established and long-standing customer relationships and explore opportunities to grow along the value chain by expanding the suite of our existing offerings across sectors, products and processes. We are developing capabilities for product migration from steel and plastics to Aluminium, for lightweighting and thermal management for e-powertrain and e-powertrain products.

Thus, our future results of operations are 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. 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.

Availability and cost of our raw materials

We use a variety of raw materials in the production of our components. For AB systems, ALP solutions and SCC products, the principal raw material used for manufacturing products include aluminium alloy, bought-out parts (steel-based items), steel, friction materials, packing materials, paint, chemicals and wires. We source these raw materials and components predominantly in India, and engage with suppliers in China and Japan on an as-needed basis. We purchase raw materials from sources approved by our customers through our procurement team. We purchase our raw materials in line with the terms and prices that are agreed with our customers. Substantially all our raw materials are available in India, enabling us to ensure timely availability of raw materials of the desired quality and quantity.

We have long standing relationships with certain of our suppliers and we procure our raw materials by way of purchase orders on an ongoing basis as well as by entering into general purchase agreements. The general purchase agreements set out the general terms and are supplemented by purchase orders wherein the pricing, scheduling and delivery details are set out. Under certain of the purchase orders and general purchase agreements, we have the right to inspect all materials that are provided to us. The prices for our raw materials can be volatile and depend on commodity prices in the international markets, which in turn depend on changes in global economic conditions, industry cycles, supply-and-demand including other market dynamics. In addition to market fluctuations, our raw material prices can be affected by contractual arrangements and hedging strategies. The costs for a majority of our raw materials such as aluminum alloy and bought-out parts are considered as Indexed Costs, any increase in which is generally passed onto our customers. For instance, the price of Aluminium increased in the last three Fiscals on account of rising inflation in commodities, and we have been successful in passing on this increase in Indexed Cost to our customers. In the case of any increase in price of raw materials which do not come under Indexed Costs, are considered as Non-Indexed Costs. We seek to periodically negotiate such increase in Non-Indexed Costs with our customers. Where we are unable to negotiate an increase in price of Non-Indexed Costs with our customers, we generally absorb these costs. Furthermore, an increase in raw material prices may result in increased prices for our customers' products, which may in turn result in decreased demand for their products and, consequently, decreased demand for the components that we supply for their products.

Export, import and foreign exchange

During Fiscals 2023, 2022 and 2021, our revenue from operations from exports (net) was ₹929.68 million, ₹1,005.38 million and ₹550.49 million, respectively, which represented 3.64%, 4.99% and 3.57% of our total revenue from operations, respectively. Though the contribution of revenue from operations from exports is not as significant, there has been frequent fluctuation in the exchange rates between the Indian Rupee and the currencies in which we receive payments for such exports, primarily the USD and Euro, which have impacted our results of operations in the past, and may also be impacted in the future if such fluctuations continue. For instance, the exchange rates for one USD against the Indian Rupee increased by 8.46% from ₹75.81 on March 31, 2022 to ₹82.22 (depreciation of the Indian Rupee) on March 31, 2023. Similarly, the exchange rates for one Euro against the Indian Rupee increased by 5.84% from ₹84.66 on March 31, 2022 to ₹89.61 on March 31, 2023 (depreciation of the Rupee). Any depreciation in the value of the Indian Rupee against foreign currencies will generally have a positive effect on our reported revenue from operations and operating income from exports, while any appreciation in the value of the Indian Rupee against foreign currencies will generally have a negative effect on our reported revenue from operations and operating income from exports.

Our imports of material, as well as our capital expenditure have been impacted by such fluctuations in the past, and will be impacted in the future if such fluctuations continue. Any depreciation in the value of the Indian Rupee against foreign currencies will generally have a negative effect on our expenditure and investment, while any appreciation in the value of the Indian Rupee against foreign currencies will generally lead to a positive impact.

Our foreign exchange gains (net) for Fiscals 2023, 2022 and 2021, amounted to ₹26.16 million, ₹19.52 million and ₹7.68 million, respectively, which represents 0.10%, 0.10% and 0.05% of our total revenue from operations, respectively, for the same Fiscals, due to an overall depreciation of the Indian Rupee (between date of invoicing and realisation or restatement).

We are also exposed to foreign currency risk (primarily in USD and Euro) on the unhedged exposure on translation of receivables and trade payables. As on March 31, 2023, 2022 and 2021, our net unhedged foreign currency exposure amounted to ₹159.64 million, ₹158.72 million and ₹46.07 million, respectively, which accounted for 1.62%, 0.79% and 0.30% of our total revenue from operations, respectively, for the same Fiscals. The table below sets forth the breakdown of our unhedged foreign currency exposure as of March 31, 2023, 2022 and 2021.

Particulars	**As of March 31, 2023**		**As of March 31, 2022**		**As of March 31, 2021**	
	(₹ in million)	***% of total revenue from operations***	***(₹ in million)***	***% of total revenue from operations***	***(₹ in million)***	***% of total revenue from operations***
Unhedged exposure on translation of trade receivables (A)	171.65	0.67%	181.03	0.90%	55.73	0.36%
Unhedged exposure on translation of trade payables (B)	12.01	0.05%	22.32	0.11%	9.67	0.06%
Net unhedged foreign currency exposure (C) = (A – B)	159.64	0.62%	158.71	0.79%	46.06	0.30%

Cost of funding and credit ratings

We operate in a capital-intensive industry requiring substantial levels of funding, which we achieve through a combination of short term and long-term debt and internal accruals. Accordingly, our ability to obtain financing, as well as the cost of such financing, affects our business. Our total borrowings as of March 31, 2023, 2022 and 2021 was ₹3,180.11 million, ₹1,597.93 million and ₹798.94 million, respectively. The table below sets forth the breakdown of our borrowings for the stated Fiscals.

Particulars	As of March 31, 2023		As of March 31, 2022		As of March 31, 2021	
	(₹ in million)	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*
Non-current borrowings*	2,318.21	72.89%	1,197.75	74.96%	540.15	67.61%
Working capital loans#	861.90	27.11%	400.18	25.04%	258.79	32.39%
Total Borrowings	**3,180.11**	**100.00%**	**1,597.93**	**100.00%**	**798.94**	**100.00%**

**Including current maturities of long term borrowings*

#*Including borrowings on account of sales invoice discounting*

While we believe we are able to obtain funding at competitive interest rates, any increase in cost of financing can have a significant impact on our profitability. During Fiscals 2023, 2022 and 2021, we incurred finance costs of ₹111.90 million, ₹80.82 million and ₹108.51 million, respectively, which represented 0.44%, 0.40% and 0.70%, respectively, of our total revenue from operations for the same Fiscals. Certain of our borrowings bear interest at floating rates, and to the extent that interest rates decrease over time, this has a positive impact on our expenses (assuming constant levels of borrowings). Conversely, rising interest rates may result in increasing our interest expense. The exposure of our borrowings to interest rate changes at the end of the last three Fiscals are set forth in the table below.

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Variable rate borrowing (₹ million)	2,009.36	995.20	540.15
Weighted average interest rate	7.48%	6.75%	7.59%

As of the date of this Draft Red Herring Prospectus, our long-term and short-term bank facilities are domestically rated by CRISIL as CRISIL AA- and CRISIL A1+, respectively. Any adverse change in the credit ratings assigned to our long-term and short-term bank facilities will impact our ability to raise additional funds and/or the interest cost at which we borrow additional funds. For further details of our outstanding borrowings and the principal terms of the borrowings currently availed by us, see "***Financial Indebtedness***" on page 337.

Conversion of wheel assembly to job-work

We provide wheel assembly to a 2W OEM in India. Our wheel assembly lines follow the customer's instructions and specifications in assembling components supplied by the customer and/ or other vendors.

The following table sets forth our revenue from operations and cost of material consumed from wheel assembly for the Fiscals stated, including as a percentage of our revenue from operations:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Amount in ₹ million	***% of total revenue from operations***	***Amount in ₹ million***	***% of revenue from operations***	***Amount in ₹ million***	***% of total revenue from operations***
Revenue from wheel assembly	3,513.98	13.75%	2,408.96	11.97%	1,687.11	10.93%
Cost of material consumed for wheel assembly	3,447.21	13.49%	2,353.55	11.69%	1,649.32	10.68%

We propose to convert our wheel assembly arrangements into job-work agreements in the coming years. While this will lead to a reduction in our overall revenue from operations, there is no significant impact on profitability expected, as a result of the consequent reduction in the cost of material consumed by the wheel assembly category. Furthermore, as a result of this conversion, certain metrics such as our PAT Margin are likely to show an improvement due to the lower profitability margins in our wheel assembly business category.

Economic conditions in the markets in which we operate

Our results of operations are dependent on the overall economic conditions in the markets in which we operate which are primarily in India. For example, the automotive market in India may perform differently and may be subject to regulatory developments that are dissimilar to the automotive markets in other parts of the world. While favourable macro-economic conditions tend to result into higher demand for automotive vehicles, weaker macro-economic conditions tend to result into lower demand. For instance, when GDP grew over 7% in Fiscal 2022, 2W sales in India registered healthy growth (*Source: CRISIL Report*). Change in demand in the market segments we currently supply to, or any improvement/deterioration in the automotive market, or a change in regulations, including customs duty, rate of taxes or any other trade barriers or restrictions could affect our operations and financial condition. According to us, the following factors in particular will have a direct impact on our revenue:

- in the 2W sector (which contributes a significant portion to our revenue from operations) in particular, the primary demand drivers include pricing of vehicles and lower cost of ownership (*Source: CRISIL Report*);
- in the EV sector, the primary factors affecting the demand and adoption of EVs include cost of ownership and operating costs (including battery replacement) (*Source: CRISIL Report*);
- global oil prices, which impact the demand of our customers' products, thereby impacting the demand of our products;
- global and local economic, political or fiscal instability;
- global and local political and regulatory measures and developments, such as tax incentives or other subsidies, environmental policies, the phasing out of older vehicles or other developing trends, such as the move towards electrification and emissions reduction;
- global and local fiscal and monetary dynamics, such as rise or fall in interest rates (resulting in the increase of decrease in the ability of our customers and end consumers/users (for the purchase of automotive vehicles) to borrow money;
- general levels of GDP growth in India, and growth in personal disposable income of the end consumers/users;
- demographic conditions and population dynamics, such as the absolute size of a market and the growth rates of the population in that market, and gender and age wise distribution of the population;
- economic development, dynamics of distribution of income and wealth among different strata of society/consumer groups;
- general inflation in the economy;
- Taxation, Tariff and regulations; and
- costs and availability of skilled labour.

For further details on the economic conditions and key trends in the automotive sector, see "***Industry Overview***" on page 127.

Presentation of Financial Statements

The Restated Consolidated Financial Information has been compiled from the audited consolidated financial statements of our Company, Subsidiary and Joint Venture as at and for the years ended March 31, 2023 and March 31, 2022 and of our Company and Joint Venture as at and for the year ended March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as "**Ind AS**") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India ("**Restated Consolidated Financial Information**"), which have been approved by our Company's Board of Directors at the meeting held on May 16, 2023.

Non-GAAP Measures

Certain measures including Net asset value per Equity Share, EBITDA, EBITDA Margin, and Return on Capital Employed, among others (together, "**Non-GAAP Measures**"), presented in this Draft Red Herring Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or U.S. GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. These Non-GAAP Measures and other statistical and other information relating to operations and financial performance should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such Non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

For a reconciliation of the above Non-GAAP Measures used by us to the most directly comparable financial measure prepared in accordance with Ind AS, see "***Other Financial Information—Reconciliation of Non-GAAP Measures***" on page 335.

Summary of Significant Accounting Policies

The discussion and analysis of our financial condition and results of operations is based upon our financial statements, which have been prepared in accordance with Ind AS. The notes to the financial statements contain a summary of our significant accounting policies. Set forth below is a summary of our most significant critical accounting policies under Ind AS. For further information, see "***Restated Consolidated Financial Information – Note 2: Basis of Preparation, Significant Accounting Policies and Key Accounting Estimates and Judgements***" on page 279.

Basis of preparation

The Restated Consolidated Financial Information have been approved by the Board of Directors of our Company at their meeting held on May 16, 2023 and has been specifically prepared for inclusion in the draft red herring prospectus to be filed by our Company with SEBI in connection with the Offer. The Restated Consolidated Financial Information has been prepared by the management of our Company to comply in all material respects with the requirements of:

a) Section 26 of the Companies Act, 2013;
b) The SEBI ICDR Regulations; and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

The Restated Consolidated Financial Information has been compiled from audited consolidated financial statements of our Company, Subsidiary and Joint Venture as at and for the years ended March 31, 2023, March 31, 2022 and of our Company, Subsidiary and Joint Venture as at and for the year ended March 31, 2021 prepared in accordance with the Indian Accounting Standards (referred to as 'Ind AS') as prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 16, 2023, September 30, 2022 and August 24, 2021 respectively.

The accounting policies have been consistently applied by our Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of consolidated financial statements for the year ended March 31, 2023. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the board meeting held for the approval of the consolidated financial statements as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021.

The Restated Consolidated Financial Information has been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI ICDR Regulations:

a) Adjustments to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;
b) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the consolidated financial statements of the Group for the year ended March 31, 2023 and the requirements of the SEBI ICDR Regulations, if any; and

c) The resultant impact of tax due to the aforesaid adjustments, if any.

Use of estimates and judgements

The preparation of Restated Consolidated Financial Information is in conformity with generally accepted accounting principles require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the Restated Consolidated Financial Information. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognized prospectively in current and future periods.

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Defined benefit obligation (DBO) – Management's estimate of the DBO is based on underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Significant judgments

Contingent liabilities – At each balance sheet date, on the basis of the management judgment, changes in facts and legal aspects, the Group assesses the requirement of disclosure against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases – The Group enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Measurement of fair values

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 treasury division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values, and report directly to chief financial officer.

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 financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Principles of consolidation

Subsidiary

Subsidiary includes the entity over which the Group has control. The Group controls an entity when it is exposed or has right to variable return from its involvement with the entity, and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, in case the under-lying facts and circumstances indicate that there are changes to above mentioned parameters that determine the existence of control.

Subsidiary is fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date when control ceases.

The restated consolidated financial information of subsidiary is fully consolidated on a line-by-line basis. Intragroup balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the said restated consolidated financial information. The un-realised gains resulting from intra-group transactions are also eliminated. Similarly, the un-realised losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

Equity accounted investees

The Group's interest in equity accounted investees comprise interests in joint venture.

A joint venture is an agreement in which the Group has joint control and has right to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in joint ventures are accounted for using the equity method. They are initially recognized at cost which includes the transaction costs. Subsequent to initial recognition, the restated consolidated financial information includes the Group's share of profit and loss and other comprehensive income of equity-accounted investee until the date on which significant influence or joint control ceases.

Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Transactions elimination on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transaction with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that here is no evidence of impairment.

The entities considered in the restated consolidated financial information during the year are listed below:

S. No.	Name of entity	Country of incorporation	Nature of interest	Percentage of ownership as on March 31, 2023
1.	ASK Automobiles Private Limited*	India	Subsidiary	100%
2.	ASK Fras-Le Friction Private Limited	India	Joint Venture	49%

**ASK Automobiles Private Limited is a wholly owned subsidiary since its incorporation on June 7, 2021.*

Foreign currency transactions

i. Initial recognition

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the date of the transaction.

ii. Measurement at reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non- monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/ settlement of all monetary items are recognized in the consolidated statement of profit and loss.

Equity Investment in Joint Venture

Investments in equity instruments of Joint Venture is accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

Property, plant and equipment

i. Recognition and measurement

Freehold Land is carried at cost and other items of property, plant and equipment are initially measured at cost of acquisition or construction which includes capitalized borrowing cost. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable purchase taxes or levies, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price. After initial recognition, items of property, plant and equipment are carried at its cost less any accumulated depreciation and / or accumulated impairment loss, if any.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable / allocable to bring the item to working condition for its intended use.

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.

Gains or losses arising on sale/disposal of items of property, plant and equipment are recognized in consolidated statement of profit and loss.

Capital work-in-progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation on items of property, plant and equipment is provided on the straight-line method based on the estimated useful life of each asset as determined by the management. Depreciation is charged over the number of shift a plant or equipment is used in the business in accordance with schedule II of the Companies Act. Depreciation for assets purchased during the year is proportionately charged i.e. from the date on which asset is ready for use. Depreciation for assets sold during the year is proportionately charged i.e. up to the date on which asset is disposed off.

The useful lives have been determined based on internal evaluation done by management and are in line with the estimated useful lives, to the extent prescribed by the Schedule II of the Companies Act.

The estimated useful lives of assets are as follows:

Type of asset	Useful life
Buildings	30 years
Plant and machinery	15 to 20 years
Electrical installations	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years
Dies and moulds	7 to 10 years
Computers	3 years

Based on internal valuation done by the management, hangers and trollies are amortised at year end based on physical availability.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Modification or extension to an existing asset, which is of capital nature, and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

Goodwill

Represents amounts paid over the identifiable assets towards Business Takeover transaction is carried forward based on assessment of benefits arising from such goodwill in future. Goodwill is tested for impairment annually at each balance sheet date in accordance with the Company's procedure for determining the recoverable amount of such assets. The recoverable amount of the Cash Generating Unit (CGU) is based on value in use. The value in use for Goodwill is determined based on discounted cash flow projections.

Other Intangible Assets

i. Recognition and initial measurement

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Amortisation

Technical know-how is being amortized over a period of seven years on a straight line basis.

Computer software is being amortized over a period of six years on a straight line basis.

Distribution network

Represents allocation of amounts paid towards Business Takeover transaction is carried forward based on assessment of benefits arising from such network in future. Such expenditure is amortized on period of ten years on straight line basis.

The above periods also represent the management's estimation of economic useful life of the respective intangible assets.

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Inventories

Inventories which comprise of raw material, work in progress, finished goods, packing material and stores and spares are valued at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The basis of determining costs for various categories of inventories are as follows:

Type of inventory	Basis of cost determination
Raw materials, components, stores and spares, packing material, loose tools, gauges and instruments	Weighted Average Method
Work-in-progress and finished goods	Material cost plus appropriate proportion of labour, manufacturing overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and 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 goods. Raw materials held for use in production of finished goods are not written down below cost, except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed its net realisable value. The comparison of cost and net realizable value is made on an item-by- item basis.

Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any expected loss is recognized immediately in the statement of profit and loss. The criteria for held for sale classification is regarded as met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold. The Group treats sale of the asset to be highly probable when:

i. The appropriate level of management is committed to a plan to sell the asset;
ii. An active programme to locate a buyer and complete the plan has been initiated (if applicable);
iii. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value;
iv. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification; and
v. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheet.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group’s unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Transfer of Financial Assets

The Group transfers certain trade receivables under invoice discounting arrangements. These do not qualify for derecognition, due to existence of the recourse arrangement. Consequently the proceeds received from such transfers with recourse arrangements are recorded as loans from banks / financial institutions and classified under short-term borrowings.

Impairment of assets

Impairment of financial assets

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the consolidated statement of profit and loss.

Impairment of non-financial assets

The Group's non-financial assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. Assets that do not generate independent cash flows are grouped together into cash generating units (CGU). 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 consolidated 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. Recoverable amount is determined:

i. in case of an individual asset, at the higher of the net selling price and the value in use; and

ii. in case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(The amount of value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life. For this purpose, the discount rate (pre-tax) is determined based on the weighted average cost of capital of the respective company suitably adjusted for risks specified to the estimated cash flows of the asset). For this purpose, a cash generating unit is ascertained as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

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. An impairment loss is reversed

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.

Employee benefits

Short-term employee benefits

Employee benefits payable within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, etc. The undiscounted amount of short- term employee benefits to be paid in exchange for employee services is recognised as an expense in consolidated statement of profit and loss as the related service is rendered by employees.

Other long-term employee benefits

Other long-term employee benefits are recognised as an expense in the consolidated statement of profit and loss as and when they accrue. The Group determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the consolidated statement of profit and loss.

Post-employment obligations

a. Defined Contribution Plans:

The Group makes payments to defined contribution plans such as provident fund and employees' state insurance. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b. Defined Benefit Plans:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit and loss as past service cost.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, Goods and Services Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity or supplies made by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable.

Further, revenue from sale of goods is recognized 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 from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods and there are no unfulfilled obligations. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions, staggered discount on early payments and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Sale of services

The Group recognizes revenue from sales of services over time, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from services provided is recognised upon rendering

of the services, in accordance with the agreed terms with the customers where ultimate collection of the revenue is reasonably expected.
Other operating revenue

All export benefits under various policies of Government of India are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Other income

Interest income is recognised on accrual basis using the effective interest method.

Contract assets

Contract assets is right to consideration in exchange for goods or services transferred to the customer and performance obligation satisfied. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional, in the nature of unbilled receivables. Upon completion of the attached condition and acceptance by the customer, the amounts recognised as contract assets is reclassified to trade receivables upon invoicing. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer or has raised the invoice in advance. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer)

Government grants

Government grants related to property, plant and equipment are included in the non-current liabilities as deferred income and are credited to Profit and loss on the basis of fulfillment of export obligation and presented within other income in accordance with the primary conditions associated with purchase of assets and related grants.

Export benefit entitlements are recognised in the consolidated statement of profit and loss when the right to receive benefit is established in respect of the exports made and the realisation is reasonably certain.

Leases

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

<u>Classification of leases</u>
The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

<u>Recognition and initial measurement</u>
At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

<u>Subsequent measurement</u>

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate (IBR). Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in consolidated statement of profit and loss on a straight-line basis over the lease term.

Estimating the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay for last long-term funds raised.

Income-tax

Tax expense recognised in consolidated statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income 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 is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. 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.

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 consolidated statement of profit and loss is recognised outside consolidated statement of profit or loss (either in other comprehensive income or in equity).

Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year end, except where the results would be anti-dilutive.

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. Contingent assets are neither recognised nor disclosed in the restated consolidated financial information. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Borrowing costs

Borrowing costs directly attributable to acquisition, construction or erection of qualifying assets are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Other borrowing costs are recognised as an expense in the consolidated statement of profit and loss in the year in which they are incurred.

Derivative financial instruments

The Group holds derivative financial instruments contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. Apart from this, derivatives are used as short term investment instruments as a treasury management function.

Derivatives are recognized initially at fair value and attributable transaction costs are recognized in net profit in the consolidated statement of profit and loss. Subsequent to initial recognition, the derivatives are measured at fair value through consolidated statement of profit and loss and the resulting exchange gains or losses are included in other income.

Principal Components of Income and Expenditure

Income

Our total income comprises (A) revenue from operations, and (B) other income.

(A) Revenue from Operations

Revenue from operations comprises:

(i) Sale of products;

(ii) Sale of services; and

(iii) Other operating revenue (which comprises duty drawback and export benefits, and scrap sales).

Revenue from operations from sale of products includes revenue from sale of (i) brake-shoe and advanced braking ("**AB**") systems; (ii) Aluminium lightweighting precision ("**ALP**") solutions (iii) safety control cables ("**SCC**") products; and (iv) Wheel assembly to 2W OEMs.

Revenue from operations from sale of services includes income from tooling, design and development and job-work charges.

The following table sets forth a breakdown of our revenue from operations across systems and solutions for the Fiscals stated, including as a percentage of our revenue from operations:

Particulars	**Fiscal 2023**		**Fiscal 2022**		**Fiscal 2021**	
	Revenue in ₹ million	***% of total revenue from operations***	***Revenue in ₹ million***	***% of revenue from operations***	***Revenue in ₹ million***	***% of total revenue from operations***
AB systems [(1)]	10,672.27	41.77%	9,287.18	46.13%	8,165.45	52.89%
ALP solutions	9,931.65	38.87%	7,556.74	37.54%	4,897.04	31.72%

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue in ₹ million	*% of total revenue from operations*	*Revenue in ₹ million*	*% of revenue from operations*	*Revenue in ₹ million*	*% of total revenue from operations*
Wheel assembly (2)	3,513.98	13.75%	2,408.96	11.97%	1,687.11	10.93%
SCC products	888.93	3.48%	509.66	2.53%	437.01	2.83%
Others (3)	544.84	2.13%	368.29	1.83%	253.31	1.64%
Revenue from operations	**25,551.67**	**100.00%**	**20,130.83**	**100.00%**	**15,439.92**	**100.00%**

Notes:

(1) Excluding revenue of our Joint Venture AFFPL

(2) Revenue from providing wheel assembly to a 2W OEM.

(3) "Others" include revenue from scrap, dies and other unallocable sales.

(B) Other Income

Our other income includes (i) foreign exchange gains; (ii) interest income; (iii) profit on sale of property, plant and equipment; (iv) government grant; (iv) dividend income; (v) excess liability / provision written back; (vi) profit on sale of current investments; and (vii) miscellaneous income.

Expenses

Our total expenses comprise (i) cost of materials consumed and changes in inventories of finished goods and work-in progress (ii) employee benefits expense; (iii) finance costs; (iv) depreciation and amortisation expenses; (v) other expenses; and (vi) dies for own use.

Cost of material consumed

Our material consumed and components primarily includes the opening stock of raw materials and packing materials at the beginning of the year, increased by the purchases and other incidental expenses incurred to bring the materials to our location and reduced by the closing stock of such inventory at the end of the year. Our raw materials primarily comprise aluminum alloy, steel, bought-out parts, packaging materials, paint, wires and transportation costs incurred in delivering raw materials to our facilities.

Changes in inventories of finished goods and work-in-progress

Our cost of changes in inventories of finished goods and work-in-progress primarily include (i) opening and closing stock in respect of finished goods, at the beginning and at the end of the year; and (ii) stock work-in-progress.

Employee Benefits Expense

Our employee benefits expense primarily comprises (i) salaries, wages and bonus; (ii) contribution to provident fund and other funds; (iii) gratuity; (iv) compensated absences; and (v) staff welfare expenses.

Finance Costs

Our finance cost refers to (i) interest expenses on financial liabilities measured at amortised cost; (ii) interest on delayed payment of statutory dues; (iii) interest on lease liability; and (iv) other borrowing costs. This excludes capitalized finance costs.

Depreciation and amortization expense

Our depreciation and amortization expenses comprise (i) depreciation of property, plant and equipment; (ii) depreciation of right of use assets; and (iii) amortization of other intangible assets.

Dies for own use

This includes cost of dies manufactured in-house and capitalised.

Other expenses

Other expenses primarily comprise (i) power and fuel; (ii) consumption of stores and spares; (iii) job-work charges; (iv) contractual labour charges; (v) freight and forwarding expenses; (vi) rent expenses; (vii) rates and taxes; (viii) repair and maintenance (plan and machinery, building and others); (ix) sales and promotion expenses; (x) travelling and conveyance; (xi) telephone and communication expenses; (xii) insurance; (xiii) security expenses; (xiv) legal and professional expenses; (xv) payment to auditor; (xvi) testing expenses; (xvii) royalty; (xviii) provision for doubtful debt; (xix) running and maintenance of vehicle; (xx) amount written off; (xxi) property, plant and equipment written off; (xxii) corporate social responsibility expenditure; (xxiii) miscellaneous expenses.

Tax expenses

Tax expenses primarily comprises (i) current taxes which includes current taxes relating to prior periods; and (ii) deferred tax.

Profit after tax

Profit after tax is calculated after reducing the total tax expense from the profit before tax

Comprehensive Income

Comprehensive income is calculated after including other comprehensive income (net of taxes) to the restated profit after tax.

Results of Operations

The following table sets forth certain information with respect to our results of operations for Fiscals 2023, 2022 and 2021, the components of which are also expressed as a percentage of total income for such years.

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ in million	% of total income	₹ in million	% of total income	₹ in million	% of total income
Income						
Revenue from operations	25,551.67	99.57%	20,130.83	99.45%	15,439.92	98.48%
Other income	111.12	0.43%	111.77	0.55%	237.75	1.52%
Total income	**25,662.79**	**100.00%**	**20,242.60**	**100.00%**	**15,677.67**	**100.00%**
Expenses						
Cost of material consumed	17,985.79	70.09%	14,038.07	69.35%	10,154.42	64.77%
Changes in inventories of finished goods and work-in-progress	(167.96)	(0.65)%	(103.54)	(0.51)%	(172.58)	(1.10)%
Employee benefits expense	1,393.65	5.43%	1,227.02	6.06%	1,022.55	6.52%
Finance costs	111.90	0.44%	80.82	0.40%	108.51	0.69%
Depreciation and amortization expense	607.05	2.37%	559.10	2.76%	518.93	3.31%
Other expenses	4,023.05	15.68%	3,282.26	16.21%	2,608.80	16.64%
Dies for own use	(47.19)	(0.18)%	(23.79)	(0.12)%	(36.64)	(0.23)%
Total expenses	**23,906.29**	**93.16%**	**19,059.94**	**94.16%**	**14,203.99**	**90.60%**
Profit before exceptional items and tax	1,756.50	6.84%	1,182.66	5.84%	1,473.68	9.40%
Exceptional items	–		–		–	–
Profit before share of net profits/(losses) of Joint Venture accounted for using equity method and taxes	1,756.50	6.84%	1,182.66	5.84%	1,473.68	9.40%
Share of net losses of Joint Venture accounted for using equity method (net of taxes)	(58.92)	(0.23)%	(52.75)	(0.26)%	(44.07)	(0.28)%
Profit before tax	1,697.58	6.61%	1,129.91	5.58%	1,429.61	9.12%
Tax expenses						
Current Tax						
- Current year	485.10	1.89%	316.82	1.57%	381.20	2.43%
- Prior year	0.66	0.00%	(1.40)	(0.01)%	(2.03)	(0.01)%
Deferred tax	(17.71)	(0.07)%	(12.10)	(0.06)%	(11.57)	(0.07)%
Total tax expenses	**468.05**	**1.82%**	**303.32**	**1.50%**	**367.60**	**2.34%**
Profit after tax for the year	1,229.53	4.79%	826.59	4.08%	1,062.01	6.77%

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	₹ in million	% of total income	₹ in million	% of total income	₹ in million	% of total income
Total comprehensive income for the year	**1,229.40**	**4.79%**	**835.91**	**4.13%**	**1,057.64**	**6.75%**

Fiscal 2023 compared to Fiscal 2022

Income

Our total income increased by 26.78% to ₹25,662.79 million in Fiscal 2023 from ₹20,242.60 million in Fiscal 2022, primarily attributable to the following:

Revenue from operations

Our revenue from operations increased by 26.93% to ₹25,551.67 million in Fiscal 2023 from ₹20,130.83 million in Fiscal 2022, primarily driven by increases in our sale of products, sale of services and scrap sales, which were higher due to an increase in production volume and increase in commodity prices. The following table sets forth the breakdown in our revenue from operations for Fiscals 2023 and 2022:

Particulars	Fiscal 2023	% of total revenue from operations	Fiscal 2022	% of total revenue from operations	Percentage Increase / (Decrease)*
	(₹ in million)	*(%)*	*(₹ in million)*	*(%)*	*(%)*
Revenue from operations					
Sale of products	25,189.24	98.58%	19,933.39	99.02%	26.37%
Sale of services	83.27	0.33%	29.53	0.15%	181.99%
Other operating revenue:					
Duty drawback and export benefits	20.37	0.08%	24.84	0.12%	(18.01)%
Scrap sales	258.79	1.01%	143.07	0.71%	80.88%
Total revenue from operations	**25,551.67**	**100.00%**	**20,130.83**	**100.00%**	**26.93%**

**Represents percentage for Fiscal 2023 with Fiscal 2022 for corresponding caption of this table*

Sale of Products

Our sale of products increased by 26.37% to ₹25,189.24 million for Fiscal 2023 from ₹19,933.39 million for Fiscal 2022, primarily attributable to the categories set forth below:

Particulars	Fiscal 2023		Fiscal 2022		Percentage Increase / (Decrease) (%)**
	Revenue from operations (in ₹ million)	% of sale of products	Revenue from operations (in ₹ million)	% of sale of products	
AB systems	10,672.27	42.37%	9,287.18	46.59%	14.91%
ALP solutions	9,931.65	39.43%	7,556.74	37.91%	31.43%
Wheel assembly	3,513.98	13.95%	2,408.96	12.09%	45.87%
SCC products	888.93	3.53%	509.66	2.56%	74.42%
Others*	182.41	0.72%	170.85	0.85%	6.76%
Sale of products	**25,189.24**	**100.00%**	**19,933.39**	**100.00%**	**26.37%**

**Others include revenue from scrap, dies and other unallocable sales.*
***Represents percentage for Fiscal 2023 with Fiscal 2022 for corresponding caption of this table.*

Sale of services

Our sale of services increased by 181.99% to ₹83.27 million for Fiscal 2023 from ₹29.53 million for Fiscal 2022, due to an increase in dies design income by ₹45.60 million and jobwork income by ₹7.68 million.
Duty drawback and export benefits

Our duty drawback and export benefits decreased by 18.01% to ₹20.37 million in Fiscal 2023 from ₹24.84 million in Fiscal 2022, primarily due to a decrease in export revenue by 7.53% to ₹929.68 million in Fiscal 2023 from ₹1,005.38 million in Fiscal 2022, as a result of geopolitical factors such as the Russia-Ukraine crisis.

Scrap sales

Scrap sales increased by 80.88% to ₹258.79 million in Fiscal 2023 from ₹143.07 million in Fiscal 2022, primarily due to higher average scrap sale rates (corresponding to an increase in Aluminium prices) and an increase in percentage of ALP solutions revenue in total revenue from operations (38.87% in Fiscal 2023 from 37.54% in Fiscal 2022) as scrap generation in ALP solutions is comparatively higher than other categories.

Other income

Total other income decreased marginally by 0.58% to ₹111.12 million in Fiscal 2023 from ₹111.77 million in Fiscal 2022.

Expenses

Our total expenses increased by 25.43% to ₹23,906.29 million in Fiscal 2023 from ₹19,059.94 million in Fiscal 2022. As a percentage of total income, our total expenses were 93.16% in Fiscal 2023 as compared to 94.16% in Fiscal 2022.

Cost of material consumed and changes in inventories of finished goods and work-in-progress

The following table sets forth the breakdown of cost of material consumed and changes in inventories of finished goods and work-in-progress for Fiscals 2023 and 2022:

Particulars	Fiscal 2023	Fiscal 2022	Percentage Increase / (Decrease)*
	(₹ in million)		***(%)***
Cost of material consumed	17,985.79	14,038.07	28.12%
Changes in inventories of finished goods and work-in-progress	(167.96)	(103.54)	62.22%
Total	**17,817.83**	**13,934.53**	**27.87%**

Represents percentage for Fiscal 2023 with Fiscal 2022 for corresponding caption of this table.

Our cost of material consumed and changes in inventories of finished goods and work-in-progress increased by 27.87% to ₹17,817.83 million in Fiscal 2023 from ₹13,934.53 million in Fiscal 2022, primarily due to an increase in production volumes and increase in raw material prices (primarily Aluminium), which saw an average increase of 9.24%. Aluminium saw a weighted average increase in its price from ₹181 per kilogram in Fiscal 2022 to ₹197 per kilogram in Fiscal 2023.

Employee benefits expense

Our employee benefits expenses increased by 13.58% to ₹1,393.65 million in Fiscal 2023, from ₹1,227.02 million in Fiscal 2022 while our revenue from operations increased by 26.93% to ₹25,551.67 million in Fiscal 2023 from ₹20,130.83 million in Fiscal 2022. Employee benefits expense as a percentage of revenue from operations decreased from 6.10% in Fiscal 2022 to 5.45% in Fiscal 2023. The number of employees (including all staff, non-staff or shop floor personnel other than contractual labour) increased by 15.25% to 2,040 employees as of March 31, 2023 from 1,770 employees as of March 31, 2022. Average employee benefits expense per employee (including all staff, non-staff or shop floor personnel other than contractual labour) decreased by 1.45% to ₹0.68 million as of March 31, 2023 from ₹0.69 million as of March 31, 2022, calculated as total employee benefits expense for the Fiscal divided by number of employees (including all staff, non-staff or shop floor personnel other than contractual labour) as on March 31 of the respective Fiscal.

Finance costs

Our finance costs increased by 38.45% from ₹80.82 million in Fiscal 2022 to ₹111.90 million in Fiscal 2023, primarily attributable to an increase in total borrowings by 99.01% from ₹1,597.93 million as of March 31, 2022 to ₹3,180.11 million as of March 31, 2023 and an increase in the weighted average interest rate from 6.75% in Fiscal 2022 to 7.48% in Fiscal 2023. Out of our total borrowings, our non-current borrowings increased by 104.05% from ₹1,023.49 million as of March 31, 2022 to ₹2,088.47 million as of March 31, 2023, primarily due to term loans availed by our Subsidiary for our manufacturing facilities ASK AM-1 located in Hobli, Karnataka and our upcoming manufacturing facility ASK AM-2 in Bhiwadi, Rajasthan. Our current borrowings increased by 90.04% from ₹574.44 million as of March 31, 2022 to ₹1,091.64 million as of March 31, 2023, primarily due to an increase in our working capital loans (including borrowings on account of sales invoice discounting) from ₹400.18 million as of March 31, 2022 to ₹861.90 million as of March 31, 2023.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 8.58% to ₹607.05 million in Fiscal 2023 from ₹559.10 million in Fiscal 2022, primarily attributable to an increase of 5.58% in the gross block of property, plant and equipment (excluding freehold land) from ₹6,058.42 million as of March 31, 2022 to ₹6,396.54 million as of March 31, 2023. The increase in our property, plant and equipment was primarily on account of additional investment at our upcoming manufacturing facility ASK AM-2 in Bhiwadi, Rajasthan.

Other expenses

Our other expenses increased by 22.57% to ₹4,023.05 million in Fiscal 2023 from ₹3,282.26 million in Fiscal 2022, primarily due to an increase in revenue from operations by 26.93% to ₹25,551.67 million in Fiscal 2023 from ₹20,130.83 million in Fiscal 2022. The table below sets forth a breakdown of the key components of our other expenses and the primary reasons their increase:

Particulars	**Fiscal 2023**	**Fiscal 2022**	**Percentage Increase / (Decrease)**
	(₹ in million)		***(%)****
Power and fuel (*This increase was in line with increase in volume of production and increase in prices.*)	928.20	744.10	24.74%
Consumption of stores and spares *(This increase was in line with increase in volume of production and increase in prices.)*	545.67	464.10	17.58%
Job-work charges *(This increase was attributable to the increase in outsourcing)*	456.12	368.15	23.90%
Contractual labour charges *(This increase was in line with increase in volume of production and increase in wage prices.)*	1,279.62	1104.23	15.88%
Freight and forwarding *(This increase was in line with the increase in sales of products and increase in prices.)*	313.29	250.21	25.21%
Sales and promotion expenses *(This increase was primarily due to the sales and promotion activities undertaken as part of our business operations.)*	35.77	10.28	247.96%
Legal and professional expenses *(This increase was due to engaging of professional advisors and consultants for different product and process categories*)	97.12	57.91	66.90%
Others* *(This increase was due to an increase in volumes and general inflation)*	367.41	283.09	29.79%
Total	**4,023.05**	**3282.26**	**22.57%**

**Includes amounts for line items under other expenses as per the Restated Consolidated Financial Information not separately covered in the table above.*

***Represents percentage for Fiscal 2023 with Fiscal 2022 for corresponding caption of this table.*

Dies for own use

Our dies for own use increased by 98.34% to ₹(47.19) million in Fiscal 2023 from ₹(23.79) million in Fiscal 2022, primarily due to additional die capitalisation on new development.

Profit before tax for the year

As a result of the foregoing factors, our profit before tax increased by 50.24% to ₹1,697.58 million in Fiscal 2023, as compared to ₹1,129.91 million in Fiscal 2022.

Tax expenses

Our total tax expenses increased by 54.31% to ₹468.05 million in Fiscal 2023 from ₹303.32 million in Fiscal 2022. The increase is in line with the taxable income during the year and attributable to an increase in current tax by 53.12% to ₹485.10 million in Fiscal 2023 from ₹316.82 million in Fiscal 2022; increase in deferred tax credit by 46.42% to ₹(17.71) million in Fiscal 2023 from ₹(12.10) million in Fiscal 2022 and increase in current taxes for prior periods by 147.48% to ₹0.66 million in Fiscal 2023 from ₹(1.40) million in Fiscal 2022.

Profit after tax for the year

As a result of the foregoing factors, our profit after tax for the year increased by 48.75% to ₹1,229.53 million in Fiscal 2023, from a net profit of ₹826.59 million in Fiscal 2022. Consequently, our PAT Margin expanded to 4.79% in Fiscal 2023 from 4.08% in Fiscal 2022.

Comprehensive Income

Our total comprehensive income for the year decreased by 47.07% to ₹1229.40 million in Fiscal 2023, from ₹835.91 million in Fiscal 2022, primarily due to increase in profit after tax by 48.75% in Fiscal 2023 from Fiscal 2022.

Fiscal 2022 compared to Fiscal 2021

Income

Our total income increased by 29.12% to ₹20,242.60 million in Fiscal 2022 from ₹15,677.67 million in Fiscal 2021, primarily attributable to the following:

Revenue from operations

Our revenue from operations increased by 30.38% to ₹20,130.83 million in Fiscal 2022 from ₹15,439.92 million in Fiscal 2021, primarily driven by increases in our sale of products, duty drawback and export benefits and scrap sales, which were higher due to an increase in production volume during the recovery from the Covid-19 pandemic, and an increase in commodity prices due to inflationary pressures. The following table sets forth the breakdown in revenue from operations for Fiscals 2022 and 2021:

Particulars	Fiscal 2022	% of total revenue from operations	Fiscal 2021	% of total revenue from operations	Percentage Increase / (Decrease)*
	(₹ in million)	**%**	***(₹ in million)***	**%**	**%**
Revenue from operations					
Sale of Products	19,933.39	99.02%	15,257.44	98.82%	30.65%
Sale of services	29.53	0.15%	73.34	0.47%	-59.74%
Other operating revenue:					
Duty drawback and export benefits	24.84	0.12%	19.91	0.13%	24.78%
Scrap sales	143.07	0.71%	89.23	0.58%	60.33%
Total revenue from operations	**20,130.83**	**100.00%**	**15,439.92**	**100.00%**	**30.38%**

**Represents percentage for Fiscal 2022 with Fiscal 2021 for corresponding caption of this table.*

Sale of Products

Our sale of products increased by 30.65% to ₹19,933.39 million for Fiscal 2022 from ₹15,257.44 million for Fiscal 2021, primarily attributable to the categories set forth below:

Particulars	Fiscal 2022		Fiscal 2021		Percentage Increase / (Decrease) (%)**
	Revenue from operations (in ₹ million)	% of sale of products	Revenue from operations (in ₹ million)	% of sale of products	
AB systems	9,287.18	46.59%	8,165.45	53.52%	13.74%
ALP solutions	7,556.74	37.91%	4,897.04	32.10%	54.31%
Wheel assembly	2,408.96	12.09%	1,687.11	11.06%	42.79%
SCC products	509.66	2.56%	437.01	2.86%	16.62%
Others*	170.85	0.85%	70.83	0.46%	141.23%
Sale of products	**19,933.39**	**100.00%**	**15,257.44**	**100.00%**	**30.65%**

**Others include revenue from scrap, dies and other unallocable sales.*
***Represents percentage for Fiscal 2022 with Fiscal 2021 for corresponding caption of this table.*

Sale of services

Our sale of services decreased by 59.74% to ₹29.53 million for Fiscal 2022, from ₹73.34 million for Fiscal 2021, due to a reduction in dies design income by ₹47.27 million.

Duty drawback and export benefits

Our duty drawback and export benefits increased by 24.80% to ₹24.84 million in Fiscal 2022 from ₹19.91 million in Fiscal 2021, primarily due to increase in export revenue by 82.64% to ₹1,005.38 million in Fiscal 2022 from ₹550.49 million in Fiscal 2021.

Scrap sales

Scrap sales increased by 60.33% to ₹143.07 million in Fiscal 2022 from ₹89.23 million in Fiscal 2021, primarily due to higher average scrap sale rates (corresponding to an increase in Aluminium prices) and an increase in percentage of ALP solutions revenue in total revenue from operations (37.54% in Fiscal 2022 from 31.72% in Fiscal 2021) as scrap generation in ALP solutions is comparatively higher than other categories.

Other income

Total other income decreased by 52.99% to ₹111.77 million in Fiscal 2022 from ₹237.75 million in Fiscal 2021, primarily due to a decline of profit on sale of current investments of ₹159.97 million and dividend on shares of ₹ 4.14 million in Fiscal 2022.

Expenses

Our total expenses increased by 34.19% to ₹19,059.94 million in Fiscal 2022 from ₹14,203.99 million in Fiscal 2021. As a percentage of total income, our total expenses were 94.16% in Fiscal 2022 as compared to 90.60% in Fiscal 2021.

Cost of material consumed and changes in inventories of finished goods and work-in-progress

The following table sets forth the breakdown of cost of materials for Fiscals 2022 and 2021:

Particulars	Fiscal 2022 *(₹ in million)*	Fiscal 2021	Percentage Increase / (Decrease) (%) (2)
Cost of material consumed(1)	14,038.07	10,154.42	38.25%
Changes in inventories of finished goods and work-in-progress	(103.54)	(172.58)	(40.01)%
Total	**13,934.53**	**9,981.84**	**39.60%**

Note:
(1) Material consumed includes raw materials, bought-out parts and packing materials.
(2) Represents percentage for Fiscal 2022 with Fiscal 2021 for corresponding caption of this table

Our cost of material consumed and changes in inventories of finished goods and work-in-progress increased by 39.60% to ₹13,934.53 million in Fiscal 2022, from ₹9,981.84 million in Fiscal 2021, primarily due to an increase in our production volumes and increase in raw material prices (primarily Aluminium), which saw a weighted average increase in the price of Aluminium from ₹128 per kilogram in Fiscal 2021 to ₹181 per kilogram in Fiscal

2022. The basic raw material index surged by approximately 36-38% in Fiscal 2022 and prices of major raw materials such as steel and plastics increased by approximately 49-53% and that of pig iron by 36-40% year on year. (*Source: CRISIL Report*).

Employee benefits expense

Our employee benefits expenses increased by 20.00% to ₹1,227.02 million in Fiscal 2022, from ₹1,022.55 million in Fiscal 2021 while our revenue from operations increased by 30.38% to ₹20,130.83 million in Fiscal 2022 from ₹15,439.92 million in Fiscal 2021. Employee benefits expenses as a percentage of revenue from operations decreased to 6.10% in Fiscal 2022 from 6.62% in Fiscal 2021. The number of employees (including all staff, non-staff or shop floor personnel other than contractual labour) increased by 8.52% to 1,770 employees as of March 31, 2022 from 1,631 employees as of March 31, 2021. Average employee benefits expense per employee (including all staff, non-staff or shop floor personnel other than contractual labour) increased by 10.57% to ₹0.69 million as of March 31, 2022 from ₹0.63 million as of March 31, 2021, calculated as total employee benefits expense for the Fiscal divided by number of employees (including all staff, non-staff or shop floor personnel other than contractual labour) as on March 31 of the respective Fiscal.

Finance costs

Our finance costs decreased by 25.52% from ₹108.51 million in Fiscal 2021 to ₹80.82 million in Fiscal 2022, primarily attributable to a decrease in interest expense from ₹105.82 million in Fiscal 2021 to ₹79.42 million in Fiscal 2022. The decrease in interest expense was due to a decrease in weighted average interest rate from 7.59% in Fiscal 2021 to 6.75% in Fiscal 2022 and lower utilisation of borrowings in Fiscal 2022.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 7.74% to ₹559.10 million in Fiscal 2022 from ₹518.93 million in Fiscal 2021, primarily attributable to an increase of 18.59% in the gross block of property, plant and equipment (excluding freehold land) from ₹5,108.74 million as on March 31, 2021 to ₹6,058.42 million as on March 31, 2022.

Other expenses

Our other expenses increased by 25.82% to ₹3,282.26 million in Fiscal 2022 from ₹2,608.80 million in Fiscal 2021, primarily due to an increase in revenue from operations by 30.38% in Fiscal 2022 from Fiscal 2021. The table below sets forth a breakdown of the key components of our other expenses and the primary reasons their increase:

Particulars	**Fiscal 2022**	**Fiscal 2021**	**Percentage Increase / (Decrease)** **
	(₹ in million)		***(%)***
Power and fuel (*This increase was in line with increase in volume of production and increase in prices.*)	744.10	603.49	23.30%
Consumption of stores and spares (*This increase was in line with increase in volume of production and increase in prices.*)	464.10	363.19	27.78%
Job-work charges *(This increase was attributable to the increase in outsourcing)*	368.15	226.21	62.75%
Contractual labour charges *(This increase was in line with increase in volume of production and increase in wage prices.)*	1,104.23	897.90	22.98%
Freight and forwarding *(This increase was in line with the increase in sales of products and increase in prices.)*	250.21	192.72	29.83%
Others*	351.47	325.29	8.05%

Particulars	Fiscal 2022	Fiscal 2021	Percentage Increase / (Decrease) **
	(₹ in million)		(%)
(This increase was due to an increase in volumes and general inflation)			
Total	**3,282.26**	**2,608.80**	**25.82%**

**Includes amounts for line items under other expenses as per the Restated Consolidated Financial Information not separately covered in the table above.*
***Represents percentage for Fiscal 2022 with Fiscal 2021 for corresponding caption of this table.*

Dies for own use

Our dies for own use decreased by 35.05% to ₹(23.79) million in Fiscal 2022 from ₹(36.64) million in Fiscal 2021, primarily due to lower capitalisation of additional dies.

Profit before tax for the year

As a result of the foregoing factors, our profit before tax decreased by 20.96% to ₹1,129.91 million in Fiscal 2022, as compared to ₹1,429.61 million in Fiscal 2021.

Tax expenses

Our total tax expenses decreased by 17.49% to ₹303.32 million in Fiscal 2022 from ₹367.6 million in Fiscal 2021. The decrease is in line with the taxable income during the year and attributable to a decrease in current tax by 16.81% to ₹315.42 million in Fiscal 2022 from ₹379.17 million in Fiscal 2021; and decrease in deferred tax by 4.55% to ₹(12.10) million in Fiscal 2022 from ₹(11.57) million in Fiscal 2021. This was partially set off by increase in current taxes for prior periods by 31.21% to ₹(1.40) million in Fiscal 2022 from ₹(2.03) million in Fiscal 2021.

Profit after tax for the year

As a result of the foregoing factors, our profit after tax for the year decreased by 22.17% to ₹826.59 million in Fiscal 2022, from a net profit of ₹1,062.01 million in Fiscal 2021. Consequently, our PAT Margin also declined to 4.08% in Fiscal 2022 from 6.77% in Fiscal 2021.

Comprehensive Income

Our total comprehensive income for the year decreased by 20.96% to ₹835.91 million in Fiscal 2022, from ₹1,057.64 million in Fiscal 2021.

Selected Restated Statement of Assets and Liabilities

The following table shows selected financial data derived from our restated summary statement of assets and liabilities as of March 31, 2023, 2022 and 2021.

Total Assets

Particulars	As of		
	March 31, 2023	March 31, 2022	March 31, 2021
		(₹ in million)	
Non-current assets			
Property, plant and equipment	4,564.93	4,630.18	4,080.99
Capital work-in-progress	1,182.45	28.50	98.29
Right-of-use assets	842.84	884.80	77.78
Goodwill	1,819.10	1,819.10	1,819.10
Other Intangible assets	31.28	41.85	56.07
Financial assets			
(i) Investments	40.41	–	33.95
(ii) Loans	79.99	87.70	106.65
(iii) Other financial assets	100.13	87.28	84.64
Non-current tax assets (net)	6.63	49.51	46.98
Other non-current assets	139.53	42.13	59.83

Particulars	As of		
	March 31, 2023	March 31, 2022	March 31, 2021
		(₹ in million)	
Total non-current assets	**8,807.29**	**7,671.05**	**6,464.28**
Current assets			
Inventories	1,535.76	1,243.69	1,126.81
Financial assets			
(i) Loans	26.66		
(ii) Trade receivables	2,104.46	2,011.61	1,585.83
(iii) Cash and cash equivalents	22.27	13.02	185.27
(iv) Bank balances other than (iii) above	1.50	2.64	1.43
(v) Other financial assets	56.23	11.99	5.56
Current tax assets (net)	0.21	-	-
Other current assets	257.70	91.03	70.95
Total current assets	**4,004.79**	**3,373.98**	**2,975.85**
Assets held for sale	Nil	10.60	42.40
Total assets	**12,812.08**	**11,055.63**	**9,482.53**

Non-current assets

Our total non-current assets increased by ₹1,136.24 million to ₹8,807.29 million as of March 31, 2023 from ₹7,671.05 million as of March 31, 2022, primarily due to an increase of ₹1,153.95 million in our capital work-in-progress to ₹1,182.45 million as of March 31, 2023 from ₹28.50 million, as of March 31, 2022 mainly addition of plant and equipment in our under development facility at Bhiwadi, Rajasthan.

Our total non-current assets increased by ₹1,206.77 million to ₹7,671.05 million as of March 31, 2022 from ₹6,464.28 million as of March 31, 2021. The increase in our non-current assets was primarily due to an increase in our property, plant and equipment by ₹549.19 million to ₹4,630.18 million as of March 31, 2022 from ₹4,080.99 million as of March 31, 2021 and increase in our right-of-use of assets by ₹807.02 million to ₹884.80 million as of March 31, 2022 from ₹77.78 million as of March 31 2021. The increase in our right-of-use assets was due to the addition of a new facility at Bhiwadi, Rajasthan.

Current assets

Our total current assets increased by ₹630.81 million to ₹4,004.79 million as of March 31, 2023 from ₹3,373.98 million as of March 31, 2022, primarily due to change in inventories by ₹292.07 million, change in trade receivables by ₹92.85 million and increase of ₹166.68 million in other current assets (primarily balances with government authorities). Increase in inventory and trade receivables is primarily due to an increase in revenue from operations. Increase in balances with government authorities is primarily indirect tax input credits accumulated on plant and machinery lying in work-in-progress.

Our total current assets increased by ₹398.13 million as of March 31, 2022 from ₹2,975.85 million as of March 31, 2021. The increase in current assets was primarily due to change in inventories by ₹116.89 million and change in trade receivables by ₹425.78 million, partially offset by a decrease of ₹172.25 million in cash and cash equivalents. The increase in inventory and trade receivables was primarily due to the increase in revenue from operations. Decrease in cash and cash equivalents was primarily due to the collection of receivables in current accounts in the last week of Fiscal 2021.

Assets held for sale

Our assets held for sale were ₹Nil as of March 31, 2023 against ₹10.60 million as of March 31, 2022, primarily due to sale of residential group housing apartments by the Company in Fiscal 2023. For further details, please see "***Restated Consolidated Financial Information –Note 3.6 – Assets classified as held for sale***" on page 297.

Our assets held for sale were ₹10.60 million as of March 31, 2022 against ₹42.40 million as of March 31, 2021, primarily due to the sale of residential group housing apartments by the Company in Fiscal 2022. For further details, please see "***Restated Consolidated Financial Information –Note 3.6 – Assets classified as held for sale***" on page 297.

Equity and Liabilities

Particulars	As of		
	March 31, 2023	March 31, 2022	March 31, 2021
		(₹ in million)	
Equity			
Equity share capital	394.29	401.79	406.89
Other equity	6,043.42	5,917.29	5,815.36
Total equity	**6,437.71**	**6,319.08**	**6,222.25**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	2,088.47	1023.49	426.70
(ii) Lease liabilities	26.52	87.31	32.48
(iii) Other financial liabilities		–	–
Provisions	256.51	240.34	242.96
Other non-current liabilities		–	–
Deferred tax liabilities (net)	279.61	297.14	306.05
Total non-current liabilities	**2,651.11**	**1,648.28**	**1,008.19**
Current liabilities			
Financial liabilities			
(i) Borrowings	1,091.64	574.44	372.24
(ii) Lease Liabilities	72.18	68.23	10.27
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	431.96	317.49	164.90
(b) Total outstanding dues of creditors other than (iii)(a) above	1,266.57	1,470.93	1,328.80
(iv) Other financial liabilities	387.64	212.26	94.26
Provisions	72.22	55.43	37.48
Current tax liabilities (net)	28.13	26.89	10.62
Other current liabilities	372.92	362.60	233.52
Total current liabilities	**3,723.26**	**3,088.27**	**2,252.09**
Total liabilities	**6,374.37**	**4,736.55**	**3,260.28**
Total equity and liabilities	**12,812.08**	**11,055.63**	**9,482.53**

Equity share capital

Our equity share capital decreased by ₹7.50 million to ₹394.29 million as of March 31, 2023 from ₹401.79 million as of March 31, 2022 due to buyback of equity shares. During the Fiscal ended March 31, 2023, our Company offered a buyback of 3,750,000 equity shares at a price of ₹240.00 per equity share, on a proportionate basis through the tender offer process. The buyback procedure was completed in September 2022, which resulted in extinguishment of 3,750,000 equity shares, and consequently the paid-up equity share capital of our Company was reduced by ₹7.50 million and a capital redemption reserve of ₹7.50 million (representing the nominal value of the shares bought back) was created out of retained earnings.

Our equity share capital decreased by ₹5.10 million to ₹401.79 million as of March 31, 2022 from ₹406.89 million as of March 31, 2021 due to buyback of equity shares. During the Fiscal ended March 31, 2022, our Company offered a buyback of 2,550,000 equity shares at a price of ₹235.00 per equity share, on a proportionate basis through the tender offer process. The buyback procedure was completed in September 2021, which resulted in extinguishment of 2,550,000 equity shares, and consequently the paid-up equity share capital of our Company was reduced by ₹5.10 million and a capital redemption reserve of ₹5.10 million (representing the nominal value of the shares bought back) was created out of retained earnings.

Other Equity

Our other equity increased by ₹126.13 million to ₹6,043.42 million as of March 31, 2023 from ₹5,917.29 million as of March 31, 2022. The increase was due to was due to the addition of profit of ₹1,229.53 million offset on account of buyback of equity shares (including tax on buyback of equity shares) of ₹1,109.67 million.

Our other equity increased by ₹101.93 million to ₹5,917.29 million as of March 31, 2022, from ₹5,815.36 million as of March 31, 2021. The increase was due to the addition of profit of ₹826.59 million offset on account of buyback of equity shares (including tax on buyback of equity shares) of ₹738.85 million.

Non-current Liabilities

Our total non-current liabilities increased by ₹1,002.83 million to ₹2,651.11 million as of March 31, 2023 from ₹1,648.28 million as of March 31, 2022. The increase was primarily due to increase in our non-current borrowings by ₹1,064.98 million.

Our total non-current liabilities increased by ₹640.09 million to ₹1,648.28 million as of March 31, 2022 from ₹1,008.19 million as of March 31, 2021. The increase was primarily due to an increase in our non-current borrowings by ₹596.79 million.

Current Liabilities

Our total current liabilities increased by ₹634.99 million to ₹3,723.26 million as of March 31, 2023 from ₹3,088.27 million as of March 31, 2022. The increase was primarily due to increase in our current borrowings by ₹517.20 million.

Our total current liabilities increased by ₹836.18 million to ₹3,088.27 million as of March 31, 2022 from ₹2,252.09 million as of March 31, 2021. The increase was primarily due to increase in our current borrowings by ₹202.20 million; (ii) increase in trade payables by ₹294.72 million and increase in other current liabilities by ₹129.08 million.

Liquidity and Capital Resources

Historically, our primary liquidity and capital requirements have been for capital expenditure, debt obligations (interest and principal) and lease payments (principal and interest). We have met these requirements through cash flows from operating activities after adjusting for working capital requirements. As of March 31, 2023, we had ₹22.27 million in cash and cash equivalents, ₹2,104.46 million in trade receivables, ₹26.66 million in loans and ₹56.23 million in other financial assets.

We believe that after taking into account the expected cash to be generated from operations, our borrowings, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for at least the next 12 months.

Cash Flows

The table below summarises the statement of cash flows, as derived from our restated cash flow statements, for the Fiscals stated:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
		(₹ in million)	
Net cash flow from operating activities	1,385.80	1,442.17	1,279.55
Net cash used in investing activities	-1,608.62	-799.63	-60.20
Net cash flow from/ used in financing activities	232.07	-814.79	-1,067.64
Net increase in cash and cash equivalents	**9.25**	**-172.25**	**151.71**
Cash and cash equivalents at beginning of the financial year	13.02	185.27	33.56
Cash and cash equivalents at end of the financial year	22.27	13.02	185.27

Operating Activities

Net cash flow generated from our operating activities was ₹1,385.80 million for Fiscal 2023. While our profit before tax was ₹1,697.58 million, adjusted to reconcile profit before tax to net cash flows of a net amount of ₹716.22 million (primarily depreciation and amortisation of ₹607.05 million, finance cost of ₹110.79 million), we had an operating profit before working capital changes of ₹2,413.80 million. The key adjustments to operating profit before working capital changes (consisting of changes in inventories, trade receivables, trade payables, financial assets, other assets, other financial liabilities, provisions and other liabilities) included increase in inventory of ₹292.07 million; increase in trade receivables of ₹92.45 million; increase in financial assets and other assets of ₹204.00; decrease in trade payables of ₹89.88 million; increase in financial liabilities of ₹26.42 million; increase in other liabilities of ₹34.07 million; and increase in provisions of ₹33.69 million.

Net cash flow generated from our operating activities was ₹1,442.17 million for Fiscal 2022. While our profit before tax was ₹1,129.91 million adjusted to reconcile profit before tax to net cash flows of a net amount of ₹604.23 million (primarily depreciation and amortisation of ₹559.10 million, finance cost of ₹79.42 million), we had an operating profit before working capital changes of ₹1,734.13 million. The key adjustments to operating profit before working capital changes (consisting of changes in inventories, trade receivables, trade payables, financial assets, other assets, other financial liabilities, provisions and other liabilities) included increase in inventory of ₹116.89 million; increase in trade receivables of ₹419.36 million; increase in financial assets and other assets of ₹39.70; increase in trade payables of ₹294.79 million; increase in financial liabilities of ₹131.19 million; increase in other liabilities of ₹131.70 million; and increase in provisions of ₹27.99 million.

Net cash flow generated from our operating activities was ₹1,279.55 million for Fiscal 2021. While our profit before tax was ₹1,429.61 million adjusted to reconcile profit before tax to net cash flows of a net amount of ₹465.26 million (primarily depreciation and amortisation of ₹518.93 million, finance cost of ₹105.82 million), we had an operating profit before working capital changes of ₹1,894.88 million. The key adjustments to operating profit before working capital changes (consisting of changes in inventories, trade receivables, trade payables, financial assets, other assets, other financial liabilities, provisions and other liabilities) included increase in inventory of ₹196.43 million; increase in trade receivables of ₹693.01 million; increase in trade payables of ₹515.59 million; decrease in financial assets of ₹108.00 million; decrease in financial liabilities of ₹54.81 million; decrease in other liabilities of 2.42 million; and increase in provisions of ₹35.71 million.

Investing Activities

Net cash used in investing activities in Fiscal 2023 was ₹1,608.62 million primarily attributable to the purchase of property plant and equipment and intangible assets (including capital work-in-progress) amounting to ₹1,541.16 million and an investment of ₹120.05 million in the equity share capital of our Joint Venture.

Net cash used in investing activities in Fiscal 2022 was ₹799.63 million primarily attributable to the purchase of property, plant and equipment and intangible assets (including capital work-in-progress) amounting to ₹857.58 million.

Net cash used in investing activities in Fiscal 2021 was ₹60.20 million primarily attributable to the purchase of property, plant and equipment and intangible assets (including capital work-in-progress) amounting to ₹475.04 million and receipt of proceeds from (i) sale of property, plant and equipment (including assets held for sale) amounting to ₹147.13 million; and (ii) sale of investments amounting to ₹245.64 million.

Financing Activities

Net cash flow from financing activities in Fiscal 2023 was ₹232.07 million primarily attributable to payment for buyback of equity shares (including payment of tax on buyback of equity shares) amounting to ₹1,109.67 million; principal payment of finance lease liability amounting to ₹88.63 million; interest paid amounting to ₹143.04 million; and repayment of long term borrowings (including current maturities) amounting to of ₹234.99 million. These were partially offset by proceeds from long term borrowings amounting to ₹1,355.34 million; and movement of short term borrowings (net) amounting to ₹461.72 million.

Net cash used in financing activities in Fiscal 2022 was ₹814.79 million primarily attributable to payment for buyback of equity shares (including payment of tax on buyback of equity shares) amounting to ₹738.85 million; principal payment of finance lease liability amounting to ₹794.33 million; interest paid amounting to ₹67.32 million; and repayment of long term borrowings (including current maturities) amounting to of ₹163.50 million. These were partially offset by proceeds from long term borrowings amounting to ₹821 million; and movement of short term borrowings (net) amounting to ₹141.40 million.

Net cash used in financing activities in Fiscal 2021 was ₹1,067.64 million primarily attributable to principal payment of finance lease liability amounting to 61.87 million; interest paid amounting to ₹107.22 million; and repayment of long term borrowings (including current maturities) amounting to ₹1,027.56 million. These were partially offset by proceeds from long term borrowings amounting to ₹200.00 million; and movement of short term borrowings (net) amounting to ₹41.30 million.

Contractual Obligations

The table below sets forth our contractual obligations with definitive payment terms as of March 31, 2023. These obligations primarily relate to our borrowings and trade payables.

Particulars	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	Total
			(₹ in million)			
Financial liabilities - borrowings*	1,023.84	255.57	615.19	1,548.00	319.38	3,761.98
Lease liabilities	38.22	38.42	14.14	15.21	-	105.99
Trade payables	1,698.52	-	-	-	-	1,698.52
Other financial liabilities	387.64	-	-	-	-	387.64
Total	**3,148.22**	**293.99**	**629.33**	**1,563.21**	**319.38**	**5,954.13**

**Amortised amount of upfront fees/charges paid at the time of sanction/disbursement of loan in the above outstanding is ₹0.05 million. This amount further includes future undiscounted cash flows for interest on term loans ₹581.82 million.*

Indebtedness

As of March 31, 2023, we had total borrowings of ₹3,180.11 million, comprising of current borrowings (excluding current maturities of long-term borrowings) of ₹861.90 million, non-current borrowings of ₹2,088.47 million and current maturities of long-term borrowings of ₹229.74 million.

Furthermore, the table below provides the categories of our aggregate outstanding borrowings as of March 31, 2023:

(in ₹ million)

Category of borrowing	Sanctioned amount	Outstanding amount as on March 31, 2023*
Secured		
Term loans	**3,090.00**	**2,318.21**
Working capital facilities	**1,460.00**	**580.19**
-Fund-based	1,452.50	539.90
-Non-fund based	807.50**	40.29
Interest accrued	**-**	**13.02**
Unsecured		
Working capital facilities		
-Fund-based#	500.00	322.00
Total indebtedness	**5,050.00**	**3,233.42**

**As certified by B.B. & Associates, Chartered Accountants, pursuant to their certificate dated June 12, 2023.*
*** ₹800.00 million of non-fund-based facilities is sublimit of and interchangeable with fund-based facilities. Balance ₹7.50 million of non-fund-based facilities is separate sanction limit for letter of credit which is not interchangeable with fund-based facilities.*
#Represents borrowings on account of sales invoice discounting.

Our loan agreements generally include conditions and covenants that limits the use of proceeds or places restrictions on indebtedness, liens, asset sales, investments, transfer or ownership interests and changes in business. These conditions and covenants require us to obtain lender consents or waivers prior to carrying out certain activities and entering into certain transactions, and may also limit our ability to pay dividends or make loans or advances to us. For further information on our agreements governing our outstanding indebtedness, see "***Financial Indebtedness***" on page 337, and see "***Risk Factors - Internal Risk Factors - Risks related to our financial position – We have incurred significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.*** " on page 48.

There were no defaults in repayment of principal or interest to lenders during Fiscals 2023, 2022 and 2021.

For details of security, repayment terms and interest rates for current and non-current borrowings in please see "***Restated Consolidated Financial Information –Note 15 – Borrowings (non-current)***" on page 303 and "***Restated Consolidated Financial Information –Note 20 – Borrowings (current)***" on page 306.

Contingent Liabilities

The following table and notes below set forth the principal components of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, as of March 31, 2023, 2022 and 2021.

(in ₹ million)

Nature of Contingent Liabilities	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
ASK Automobiles Private Limited - Term loan and working capital requirement	2,540.00	2,140.00	-
ASK Fras-le Friction Private Limited** - Term loan and working capital requirement	835.00	835.00	540.00
Total	**3,375.00**	**2,975.00**	**540.00**

*** This amount represents total corporate guarantee given by the Company and AFFPL jointly. Company as co guarantor with AFFPL has given the guarantee equivalent to its shareholding in the Joint Venture.*

Furthermore, we executed surety bonds in favor of the President of India, under the Export Promotion Capital Goods Scheme (EPCG) for importing capital goods at a concessional rate of custom duty. The amount of duties and taxes saved was ₹43.58 million, ₹84.58 million and ₹93.40 million, as of Fiscals ended March 31, 2023, 2022 and 2021, respectively, against which there was an unfulfilled export obligation.

The increase in capital and other commitments in Fiscals 2023 and 2022 was primarily attributable to contracts for purchase of capital goods. The increase in corporate guarantees given to banks is primarily due to additional borrowings availed by our Joint Venture and Subsidiary.

Capital Expenditure

Our historical capital expenditures were primarily incurred towards expansion and maintenance of our manufacturing facilities. The following table sets forth our property, plant and equipment and capital work-in-progress (net) for each of the stated Fiscals:

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
		₹ in million	
Factory Land	-	67.89	-
Buildings	2.75	118.49	106.36
Plant and equipment	349.34	731.57	266.07
Electrical installation	14.80	29.40	13.27
Office equipment	7.65	15.45	14.01
Computers	8.56	9.78	7.33
Furniture and fixtures	7.11	13.28	33.09
Hangers, trollies, dies and moulds	60.34	39.20	43.77
Vehicles	57.68	8.74	2.56
Capital work-in-progress (Net)	1,153.95	(69.79)	(57.40)
Total Capital Expenditure	**1,662.18**	**964.03**	**429.06**

In Fiscals 2023, 2022 and 2021, our capital expenditure for purchase of property, plant and equipment (including capital work-in-progress (net)) were ₹1,662.18 million, ₹964.03 million and ₹429.06 million, respectively.

As part of our growth strategy, we have undertaken certain changes at our manufacturing facilities in the last three Fiscals as stated below:

1. During Fiscal 2023, we shifted five and three moulding sets used for the manufacture of AB systems, from our ASK-2 and ASK-6 facilities, respectively, to our ASK-12 facility. This resulted in a reduction in the installed and available capacities at our ASK-2 and ASK-6 facilities, while the installed and available capacity at our ASK-12 facility increased consequently.

2. During Fiscal 2023, the available capacity for ALP solutions at our ASK-7 facility increased to 12,491 tonnes from 12,104 tonnes in Fiscal 2022, while the installed capacity remained constant at 12,491 tonnes during Fiscals 2022 and 2023. This variation in available capacity was due to the installation of additional machinery at our ASK-7 facility in July 2021, resulting in the full capacity of 12,104 tonnes being available only for the nine months during Fiscal 2022.

3. The installed capacity for SCC products at our ASK-7 facility has increased year-on-year as result of addition of two new assembly lines between Fiscals 2021 and 2022, and two new assembly lines between Fiscals 2022 and 2023.

4. The installed capacity for ALP solutions at our ASK-8 facility increased year-on-year between Fiscals 2022 and 2023 as result of addition of two new machines during the same period.

5. During Fiscal 2023, the available capacity for ALP solutions at our ASK-11 facility increased to 7,104 tonnes from 6,924 tonnes in Fiscal 2022, while the installed capacity remained constant at 7,104 tonnes during Fiscals 2022 and 2023. This variation in available capacity was due to the installation of additional machinery at our ASK-12 facility in August 2021, resulting in the full capacity of 7,104 tonnes being available only for the eight months during Fiscal 2022.

6. The installed capacity for SCC products at our ASK-12 facility increased year-on-year between Fiscals 2022 and 2023 as result of addition of 14 new assembly lines during the same period.

7. The installed and available capacity for ALP solutions at our ASK-16 facility decreased between Fiscals 2022 and 2023 as result of scrapping of one machine during the same period.

The expansion of capacities at our ASK-7, ASK-8, ASK-11 and ASK-12 facilities as stated above, contributed in part to an increase in our gross block of property, plant and equipment; and capital work-in-progress in the last three Fiscals, which increased from ₹6,008.38 million as of March 31, 2021 to ₹6,956.16 million as of March 31, 2022, further increasing to ₹8,448.23 million as of March 31, 2023.

For further details on our manufacturing facilities including their respective installed and available capacities, and capacity utilization, as of and during the last three Fiscals, please see "***Our Business – Manufacturing Capacity and Capacity Utilisation at our 15 facilities***" on page 197.

Furthermore, Covid-19 or any similar pandemic may require reductions in capital expenditures that are otherwise needed to implement our strategies. See "***Risk Factors - Internal Risk Factors - Other risks - The coronavirus pandemic ("Covid-19") has had an adverse effect on our business and operations, and the extent to which it may continue to do so in the future cannot be predicted***." for risks of the Covid-19 outbreak on our operations and financial condition.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information, see "***Other Financial Information – Related Party Transactions***" on page 336.

Qualitative and Quantitative Disclosures about Financial Risk

Risk Management Framework

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risks limits and controls, to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. For further details on our financial risk management, see "***Restated Consolidated Financial Information – Note 38 – Risk Management Framework***"

Market risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk comprises two main types of risks (i) interest rate risk; and (ii) foreign currency risk.

Interest Rate Risk

Interest rate risk refers to 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 borrowings with floating interest rates.

Foreign exchange risk

The Indian Rupee is our reporting currency. As a consequence, our results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities where our revenue or expense is denominated in a foreign currency.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Groups' receivables from customers and loans. Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Group does monitor the economic environment in which it operates. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet as set forth in the table below.

Particulars	As of		
	March 31, 2023	March 31, 2022	March 31, 2021
		(₹ in million)	
Loans	106.65	87.70	106.65
Trade receivables	2,104.46	2,011.61	1,585.83
Cash and cash equivalents	22.27	13.02	185.27
Other bank balances	1.50	2.64	1.43
Other deposits	21.93	-	2.43
Security deposits	113.59	94.65	82.32
Other financial assets	20.84	4.62	5.45
Total financial assets	**2,391.24**	**2,214.24**	**1,969.38**

For further details on our credit risk, see "***Restated Consolidated Financial Information – Note 38 – Credit Risk***" on page 315.

Liquidity risk

Our objective is to provide financial resources to meet our business objectives in a timely, cost effective and reliable manner. We maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, working capital loans and others. Our treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and fixed deposits. We monitor our risk of shortage of funds using cash flow forecasting models. These models consider the maturity of financial investments, committed funding and projected cash flows from operations.

Changes in Accounting Policies

There have been no changes in our accounting policies during Fiscals 2023, 2022 and 2021.

Significant economic changes

Other than as described in this section and in "***Risk Factors***", "***Industry Overview***" and "***Our Business***" on pages 29, 127 and 181, respectively, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this in this section and in "***Risk Factors***", "***Industry Overview***" and "***Our Business***" on pages 29, 127 and 181, respectively, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent" that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "***– Significant Factors Affecting Our Financial Condition and Results of Operations***" on page 343 and the uncertainties described in the section titled "***Risk Factors***" on page 29. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors that have or had, or which we expect will have a material adverse impact on our revenue from operations or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Draft Red Herring Prospectus, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenue.

New Products or Business Segments

Except as set out in this section and in "***Our Business***" on page 181, there are no new products or business segments, categories or sectors in which we operate that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Competitive Conditions

We operate in a competitive environment. See "***Our Business – Competition***" on page 223, "***Industry Overview***" on page 127 and "***Risk Factors***" on page 29 for further details on competitive conditions that we face across our various business categories.

Extent to which material increases in net sales or revenue from operations are due to increased sales volume, introduction of new products or services or increased sale prices

Changes in revenue from operations in the last three Fiscals are as described in " ***– Fiscal 2023 compared to Fiscal 2022***" on page 363 and "***– Fiscal 2022 compared to Fiscal 2021***" on page 366.

Segment reporting

Our business activity falls within one operating segment namely, the manufacturing of auto components including AB systems, ALP solutions, SCC and other products and services, primarily for the automobile industry with a substantial sale of the products being in India. The Board of Directors, which has been identified as being the chief operating decision maker, evaluates our performance, and allocate resources based on the analysis of the various performance indicators as a single unit and there is one reportable segment for our Group. For further information, see "***Restated Consolidated Financial Information – Note 34 – Segment Reporting***" on page 313.

Seasonality

Our automotive business is directly related to our customers' vehicle sales and production levels across various categories. Automotive sales and production are cyclical and depend on general economic conditions and other factors, including consumer spending and preferences as well as changes in interest rate levels, consumer confidence and fuel costs. For further information, see "***Risk Factors – External Risk Factors – The cyclical and seasonal nature of businesses, in particular, the automobile industry, can adversely affect our business***" on page 65.

Significant developments after March 31, 2023 that may affect our future results of operations

Except as stated above and elsewhere in this Draft Red Herring Prospectus, no developments have come to our attention since the date of the Restated Consolidated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to materially and adversely affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Significant dependence on customers and suppliers

Our business is heavily dependent on the two-wheelers automotive sector in India and on certain principal customers, in particular our top three customers. Similarly, we are dependent on third-party suppliers for our raw materials, such as aluminum alloy, steel, paint, wires semi-finished goods, such as brake-shoe castings, back plates for disc brake-pads, and bought-out parts, such as springs, levers, and arms. We are also subject to supplier concentration with respect to certain key components.

For further information on our dependence on customers and suppliers, see "***Risk Factors - Internal Risk Factors - Risks relating to our business - A significant portion (more than 80%) of our revenue from operations in each of the last three Fiscals is attributable to the Indian two-wheeler automotive sector. Any adverse changes in the two-wheeler automotive sector could adversely impact our business, results of operations and financial condition***" on page 30, "***Risk Factors – Internal Risk Factors - Risks relating to our business - We are dependent on our top three customers who contribute more than 50.00% of our revenue from operations with our single largest customer contributing more than 30.00% of our revenue from operations in each of the last three Fiscals. Loss of any of these customers or a reduction in purchases by any of them could adversely affect our business, results of operations and financial condition***" on page 31, and "***Risk Factors – Internal Risk Factors - Risks relating to our business - Our business and profitability is substantially dependent on the availability and cost of our raw materials, including Aluminium, and any disruption to the timely and adequate supply of raw materials, or volatility in the prices of raw materials may adversely impact our business, results of operations and financial condition***" on page 31.

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 at FIR stage where no or some cognizance has been taken by the court); (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes in a consolidated manner; and (iv) other pending civil litigation as determined to be material pursuant to the Materiality Policy, in each case involving our Company, our Promoters, our Directors and our Subsidiary ("**Relevant Parties**"). Further, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years, including any outstanding action.*

For the purpose of point (iv) above, our Board in its meeting held on May 16, 2023 has considered and adopted the Materiality Policy for identification of material outstanding litigation involving the Relevant Parties. In terms of the Materiality Policy, any pending litigation (other than litigations mentioned in points (i) to (iii) above) involving the Relevant Parties, has been considered 'material' for the purposes of disclosures in this Draft Red Herring Prospectus, where:

a) aggregate monetary amount of claim involved, whether by or against the Relevant Parties in any such pending proceeding is in excess of 2.5% of profit after tax of the Company on a consolidated basis as per the Restated Consolidated Financial Information (included in this Draft Red Herring Prospectus) for the most recent complete financial year covered in such Restated Consolidated Financial Information, being ₹ 30.74 million;

b) the monetary impact is not quantifiable or lower than the threshold mentioned in point (a) above, but the outcome in any such litigation would materially and adversely affect the Company's business, prospects, operations, performance, financial position or reputation.

Pre-litigation notices received by the Relevant Parties from third parties (excluding governmental/statutory/regulatory/judicial authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. Any pending litigation involving the group companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a 'material impact' on the Company for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially and adversely affect the business, operations or financial position or reputation of the Company.

*In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds or is equivalent to ₹ 84.93 million, which is 5% of the total consolidated trade payables as per the Restated Consolidated Financial Information for the period ending March 31, 2023, shall be considered as 'material'. Accordingly, for the period ending March 31, 2023, any outstanding dues exceeding or is equivalent to ₹ 84.93 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

I. Litigation involving our Company

A. Litigation filed against our Company

(a) Actions by regulatory and statutory authorities

1. Our Company received a demand notice dated October 21, 2021 from the Karnataka Industrial Areas Development Board ("**KIADB**") for payment of ₹ 33.40 million towards the purchase of Plot No. 176-P1, Narasapura Industrial Area, Kolar District, Karnataka ("**KIADB Land**") by our Company for its manufacturing facility, ASK-8, pursuant to revision in price per acre sought by the KIADB. Our Company sent its replies dated February 18, 2022 and April 15, 2022, questioning such demand and seeking reconsideration by the KIADB of their revision in the price for the KIADB land. Subsequently,

our Company also sent a letter dated September 5, 2022 requesting for an extension in the lease for a period of two years, since the revised price is yet to be finalized. Pursuant to KIADB's letter dated November 22, 2022, the lease has been extended till April 9, 2024. The matter is currently pending.

2. The Assistant Director, Directorate of Enforcement, Department of Revenue, Ministry of Finance, Government of India issued an order dated May 23, 2023 in connection with an investigation under the Foreign Exchange Management Act, 1999, as amended, directing our Company to submit certain information, including, inter alia, details of the Directors, our Company's business, the bank accounts of our Company, imports and exports made by our Company till date and certain information for Fiscal 2017, such as, all foreign investments made by our Company, import/export advance payments for which import and export had not been made by our Company and imports/exports for which payments had not been made/realized by our Company, during this period. Our Company is in the process of submitting the information pursuant aforementioned order.

B. Litigation filed by our Company

(b) Criminal proceedings

1. Our Company has filed a complaint dated July 14, 2020 before the Judicial Magistrate First Class, Gurugram under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881, as amended, against Vensor Enterprises and Chalapathi G, alleging dishonor of cheque in relation to refund of the advanced payments made by our Company towards a property. Our Company has prayed for, *inter alia*, ₹ 1.28 million along with an interest of 18% towards the dishonored cheque. The matter is currently pending.

2. Our Company has filed a first information report dated June 5, 2018 at Uttam Nagar Police Station, Delhi, under Sections 63 and 65 of the Copyright Act, 1957 read with Section 420 of the Indian Penal Code, 1860 against Amit Anand, alleging that a factory in Uttam Nagar, Delhi was selling counterfeit brake shoe of ASK brand. Based on the first information report, the police conducted a raid at the factory and seized 3,000 counterfeit brake shoes. The matter is currently pending in the court of Chief Metropolitan Magistrate, Dwarka.

3. Our Company has filed a first information report dated August 22, 2015 at Krishna Nagar Police Station, Delhi, under sections 63 and 65 of the Copyright Act, 1957 against Ajit Kumar and Rahul alleging that they were selling brake shoes and other automotive components with counterfeit packaging bearing the label "ASK". Upon a raid and subsequent investigation by the police based on the first information report, empty packaging boxes of ASK branding were seized at a warehouse in Krishna Nagar, Delhi. Ajit Kumar and Rahul were arrested and subsequently released on bail upon furnishing of bail bonds. The matter is currently pending in the court of Chief Metropolitan Magistrate, Karkardooma Courts, Delhi.

4. Our Company has filed a first information report dated May 31, 2023 at Sarai Rohilla Police Station, Delhi, under Sections 63 and 65 of the Copyright Act, 1957 and Sections 103 and 104 of the Trademarks Act, 1999 against an unknown accused alleging that they were selling brake shoes and other automotive components with counterfeit packaging bearing the label "ASK". The matter is currently pending.

(c) Other civil litigations

1. Our Company has filed 27 suits before various judicial fora for alleged infringement of trademark under the Trademark Act 1999, as amended, against various parties praying for a permanent injunction under Order 26, Rule 9 of Civil Procedure Code, 1908. While the matters individually are not material in accordance with our Materiality Policy, the aggregate amount involved in all these matters is ₹ 13.50 million.

C. Tax proceedings

S. No.	Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
1.	Direct Tax	2	12.63
2.	Indirect Tax	Nil	-
	Total	**2**	**12.63**

2. Litigation involving our Subsidiary

A. Litigation filed by our Subsidiary

Nil

B. Litigation filed against our Subsidiary

Nil

C. Tax proceedings

S. No.	Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
1.	Direct Tax	Nil	-
2.	Indirect Tax	Nil	-
	Total	Nil	-

3. Litigation involving our Directors

A. Litigation filed against our Directors

(a) Criminal proceedings

One of our Independent Directors, Arun Duggal, was the non-executive chairman of Shriram Transport Finance Company Limited ("**Shriram,**"), which has filed a complaint under Section 138 of the Negotiable Instruments Act, 1881 against Transgulf Frozen Food Containers Private Limited ("**Transgulf**") before the Judicial Magistrate at Ghaziabad ("**Magistrate**"), for recovery of dues. Subsequently, Transgulf has filed a first information report dated December 26, 2014 ("**FIR**") against Shriram, and certain of its directors and employees, including Arun Duggal, alleging forgery and cheating by Shriram. Subsequently, a chargesheet dated February 18, 2016 was filed and summons were also issued by the Magistrate calling the accused persons to appear before the court for trial ("**Trial Court Proceedings**"). Arun Duggal's first discharge application was dismissed by the Magistrate in its order dated October 27, 2018. Upon dismissal of the said discharge application, he filed a revision petition before the Sessions Court, Ghaziabad, which was also dismissed by the Additional Sessions Judge, Court Room No. – 1, Ghaziabad in its order dated July 26, 2019 ("**Order**"). Being aggrieved by the said order, he filed an application before the High Court of Judicature at Allahabad ("**High Court**"), praying for quashing of the Order and stay of the criminal proceedings. The High Court has granted a stay of the Trial Court Proceedings in favour of Arun Duggal in its order dated September 13, 2019 ("**Stay Order**"). Despite the Stay Order being in force, the Magistrate has framed charges against all the accused persons including Arun Duggal. However, on October 17, 2022, the High Court remanded the matter back to the trial court to decide the discharge application of Arun Duggal afresh, which was dismissed by the trial court in its order dated December 5, 2022 ("**Dismissal Order**"). Subsequently, another revision petition ("**Second Revision**") was filed on January 9, 2023, challenging the Dismissal Order. The Trial Court Proceedings and the Second Revision are now pending before the Magistrate.

(b) Actions by regulatory and statutory authorities

Nil

(c) Material pending civil litigations

Nil

B. Litigation filed by our Directors

(a) Criminal proceedings

Nil

(b) Material pending civil litigations

Nil

C. Tax proceedings

S. No.	Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
1.	Direct Tax	1	17.97
2.	Indirect Tax	Nil	-
	Total	**1**	**17.97**

4. Litigation involving our Promoters

A. Litigation filed against our Promoters

(a) Criminal proceedings

Nil

(b) Actions by regulatory and statutory authorities

Nil

(c) Material pending civil litigations

Nil

(d) Disciplinary actions including penalty imposed by the SEBI or Stock Exchanges against our Promoters in the last five Financial Years

Nil

B. Litigation filed by our Promoters

(a) Criminal proceedings

Nil

(b) Material pending civil litigations

Nil

C. Tax proceedings

S. No.	Particulars	Number of cases	Aggregate amount involved (*in ₹ million*)
1.	Direct Tax	1	17.97
2.	Indirect Tax	Nil	-
	Total	**1**	**17.97**

5. Litigation involving our Group Companies

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation proceedings involving our Group Companies, the adverse outcome of which may have a material impact on our Company.

6. Outstanding dues to creditors

As at March 31, 2023 outstanding dues to MSME creditors, material creditors and other creditors were as follows:

Type of Creditors*	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	372	471.12
Material creditors	1	204.11
Other creditors	521	897.03
Total outstanding dues	**894**	**1,572.26**

**As certified by B.B. & Associates, Chartered Accountants, pursuant to their certificate dated June 12, 2023.*

The details pertaining to outstanding dues to the material creditors, along with names and amounts involved for each such material creditor are available on the website of our Company at www.askbrake.com/Inspection-material-documents.

7. Material Developments

There have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, which materially and adversely affect, or are likely to affect, our operations or 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

*Set out below is an indicative list of consents, licenses, registrations, permissions, and approvals obtained by our Company, which are considered material and necessary for the purposes of undertaking our businesses and operations. Except as mentioned below, no other material consents, licenses, registrations, permissions, and approvals are required to undertake the Offer or to carry on the business and operations of our Company. Unless otherwise stated, these material approvals are valid as on the date of this Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see "**Key Regulations and Policies in India**" beginning on page* 225.

We have also set out below, material approvals or renewals applied for but not received in respect of our Company, as on the date of this Draft Red Herring Prospectus.

I. Approvals in relation to the Offer

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer***" on page 389.

II. Incorporation details of our Company

For details of the incorporation of our Company, see "***History and Certain Corporate Matters***" beginning on page 231.

III. Material approvals obtained in relation to our Company

Our Company requires various approvals issued by central and state authorities under various rules and regulations to carry on its business and operations in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with the applicable procedures and requirements. Our Company has received the following material approvals pertaining to its respective business and operations:

A. Tax related approvals obtained by our Company

(i) The permanent account number of our Company is AAACA7205Q.

(ii) The tax deduction account number of our Company is DELA12563F.

(iii) The importer exporter code for our Company issued by the Office of Zonal Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India on November 18, 1988 is 0588145033.

(iv) The registration-cum-membership certificate bearing number 101/M14264/2020-21, issued by EEPC India (formerly known as Engineering Export Promotion Council).

(v) Professional tax registrations under applicable state professional tax legislations.

(vi) Goods and Services Tax ("**GST**") registrations for payments under central and applicable state GST legislations.

B. Labour related approvals obtained by our Company

(i) Certificates of registration issued under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended.

(ii) Certificates of registration issued under the Employees' State Insurance Act, 1948, as amended.

(iii) Registrations under the Contract Labour (Regulation and Abolition) Act, 1970, as amended.

C. Material approvals obtained in relation to the business and operations of our Company

In order to carry on our operations, including at our manufacturing facilities in India, our Company requires various approvals, licenses and registrations under several central or state legislations, acts, rules and regulations. Some of the approvals, licenses and registrations that we are required to obtain and maintain may expire from time to time in the ordinary course of business, and applications for renewal of such approvals are submitted by us in due course, in accordance with applicable procedures and requirements. An indicative list of the material approvals required by us is provided below:

(i) ***Factory licenses:*** Under the Factories Act, 1948, and the rules made thereunder, each as amended, we are required to obtain registrations/licenses to work a factory for each of our manufacturing facilities.

(ii) ***Environment related approvals:*** We are required to obtain environmental clearances, consents, and authorizations including consents from the state pollution control board of the relevant states wherein our manufacturing facilities are situated, to operate under the Water (Prevention and Control of Pollution) Act, 1974, as amended and Air (Prevention and Control of Pollution) Act, 1981, as amended, authorization for operating a facility for generation, storage and disposal of hazardous wastes under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended.

(iii) ***Shops and establishment registrations:*** We have received a registration certificate of establishment issued by the Department of Labour, Government of National Capital Territory of Delhi under the Delhi Shops and Establishment Act, 1954, as amended, for the Registered Office of our Company.

(iv) ***No objection certificates from fire department:*** We are required to obtain no objection certificates from the fire departments of the respective State Governments to undertake our operations at our manufacturing facilities.

(v) ***Registration of generating sets****:* We are required to obtain approvals/permissions/registrations to install/run generation sets at our manufacturing facilities from the electricity authorities of the respective State Governments.

(vi) ***Other material licenses/approvals/authorisations****:*

(i) We are also required to obtain licenses, approvals and authorizations, wherever applicable for importation and storage of petroleum issued by the Petroleum and Explosives Safety Organization, under the Explosives Act, 1884, as amended, in relation to some of our manufacturing facilities;

(ii) Certificates of acknowledgment issued by the Ministry of Commerce and Industry, Government of India for industrial entrepreneur memoranda submitted by our Company for certain of our units for manufacturing parts and accessories for motor vehicles, industrial machinery, etc.; and

(iii) We have received a certificate of registration as manufacturer and packers issued by the Weights and Measures Unit, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, GoI under the Legal Metrology (Packages Commodities) Rules, 2011, as amended.

IV. Material approvals pending in respect of our Company

A. Material approvals or renewals for which applications are currently pending before relevant authorities

S. No.	Description	Authority	Date of Application
1.	Application for renewal of consolidated consent to operate, authorisation under the Air Act, Water Act and Hazardous Wastes (Management and Transboundary	Uttarakhand State Pollution Control Board	March 3, 2023

	Movement) Rules, 2016 for our manufacturing unit, ASK-5

B. Material approvals expired and renewal yet to be applied for

Nil

C. Material approvals required but not obtained or applied for

Nil

V. Our intellectual property

Trademarks

As on the date of this Draft Red Herring Prospectus, we have 10 registered trademarks in India and 12 registered trademarks in other jurisdictions. Further, as on the date of this Draft Red Herring Prospectus, we have applied for five trademarks in India, under classes 12, 35 and 37, out of which three are pending including and two are objected.

Details of the trademarks of our Company registered in India as on the date of this Draft Red Herring Prospectus are given in the table below:

S. No.	Description	Class of Registration	Registering Authority	Registration Number	Date of Expiry
1.		12	Registrar of Trademarks	1437839	March 24, 2026
2.		12	Registrar of Trademarks	3941227	September 10, 2028
3.		12	Registrar of Trademarks	3763430	February 24, 2028
4.	ASK	35	Registrar of Trademarks	2553199	June 24, 2033
5.		12	Registrar of Trademarks	3758974	February 20, 2028
6.		12	Registrar of Trademarks	3758975	February 20, 2028
7.		12	Registrar of Trademarks	3763431	February 24, 2028

S. No.	Description	Class of Registration	Registering Authority	Registration Number	Date of Expiry
8.	ASK BRAKE LININGS	12	Registrar of Trademarks	3763432	February 24, 2028
9.	SAFESTOP	12	Registrar of Trademarks	4002204	November 19, 2028
10.	ASK	12	Registrar of Trademarks	506591	March 7, 2030

Details of the trademark applications made by our Company as on the date of this Draft Red Herring Prospectus are given in the table below:

S. No.	Description	Application Number	Class of Registration	Status as on the date of this Draft Red Herring Prospectus
1.	ASK DRIVING SAFETY THROUGH INNOVATION	5612735	35	Accepted and advertised
2.	ASK DRIVING SAFETY THROUGH INNOVATION	5612734	12	Accepted and advertised
3.	ASK DRIVING SAFETY THROUGH INNOVATION	5612736	37	Marked for examination
4.	ALL LOADS TRUK PREMIUM NEXT GEN BRAKING	4049076	12	Objected
5.	ASK CLUTCH SHOES	1913404	12	Objected

Copyrights

As on the date of this Draft Red Herring Prospectus, we have one registered copyright in India for artistic work.

For risks associated with intellectual property, please see, "***Risk Factors – Legal and regulatory risks – The availability of counterfeit products, our failure to keep our technical knowledge confidential, or our ability to obtain and protect our intellectual properties may have adverse effects on our business and results of operations***" on page 56.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorized the Offer pursuant to its resolution dated June 9, 2023.

- Our Board has taken on record the consent of the Promoter Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on June 9, 2023.

- Our Board has on June 9, 2023 and the IPO Committee has on June 12, 2023 approved this Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

Approvals from the Promoter Selling Shareholders

Each of the Promoter Selling Shareholders has, severally and not jointly, confirmed and authorized the transfer of its respective proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

S. No.	Name of the Promoter Selling Shareholder	Date of Consent Letter	Maximum number of Offered Shares
1.	Kuldip Singh Rathee	June 5, 2023	Up to 20,699,973 Equity Shares
2.	Vijay Rathee	June 5, 2023	Up to 8,871,417 Equity Shares
		Total	**Up to 29,571,390 Equity Shares**

Each of the Promoter Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares is in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by the SEBI, the RBI or Governmental Authorities

Our Company, our Promoters (and persons in control of our Company), members of our Promoter Group, and our Directors are not prohibited from accessing or operating in the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Each of the Promoter Selling Shareholders, severally and not jointly, confirms that it is not prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters (who are also Promoter Selling Shareholders), members of our Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors associated with securities market

None of our Directors are, in any manner, associated with the securities market. Further, there are no outstanding actions initiated by SEBI against any of our Directors, in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- our Company has net tangible assets of at least ₹ 30.00 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each);

- our Company has an average operating profit of at least ₹ 150.00 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

- our Company has a net worth of at least ₹ 10.00 million in each of the three preceding full years (of 12 months each), calculated on a restated and consolidated basis; and

- except for the change in name pursuant to conversion of our Company from a private limited company into a public limited company, there has been no change of name of our Company at any time during the one year immediately preceding the date of filing of this Draft Red Herring Prospectus.

Set forth below are our Company's restated net tangible assets, restated operating profit and net worth, derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

(*₹ in million, unless otherwise stated*)

	As at/ for the Fiscal ended		
	March 31, 2023	**March 31, 2022**	**March 31, 2021**
Net tangible assets [(1)]	4,587.33	4,458.13	4,347.08
Restated pre-tax operating profit[(2)]	1,698.36	1,098.96	1,300.37
Average restated pre-tax operating profit for the Fiscals ended March 31, 2023, 2022 and 2021		**1,365.90**	
Net worth [(3)]	6,437.71	6,319.08	6,222.25

Notes:

[(1)] *Net tangible assets is the sum of all net assets of ASK Automotive Limited (the "Company") (formerly known as ASK Automotive Private Limited) as per Restated Consolidated Financial Information, as applicable, excluding Other intangible assets which represents the Intangible assets in the Restated Consolidated Financial Information as defined in Indian Accounting Standard 38 (Ind AS 38) notified under Section 133 of companies Act 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rule 2015 (as amended) and in accordance with Regulation 2(1)(gg) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'SEBI ICDR Regulations'). Net tangible assets also excludes Goodwill.*

[(2)] *Restated pre-tax operating profit represents the profit after tax for the year before finance costs, other income and tax expenses.*

[(3)] *'Net worth' means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated consolidated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per Regulation 2 (1) (hh) of the SEBI ICDR Regulations.*

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith.

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 following conditions specified in Regulation 5 of the SEBI ICDR Regulations:

- our Company, our Promoters (who are also Promoter Selling Shareholders), the members of our Promoter Group, and our Directors are not debarred from accessing the capital market by SEBI;

- none of our Promoters or our Directors are promoters or directors or persons in control of companies which are debarred from accessing the capital markets by SEBI;

- none of our Company, our Promoters or our Directors have been categorized as a Wilful Defaulter or a

Fraudulent Borrower;

- none of our Promoters and our Directors are Fugitive Economic Offenders;

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

- our Company, along with the Registrar to the Offer, has entered into tripartite agreements dated February 9, 2023 and May 26, 2023 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

- the Equity Shares of our Company held by our Promoters are in dematerialised form; and

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

Each Promoter Selling Shareholder, severally and not jointly, confirms that it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED, AXIS CAPITAL LIMITED, ICICI SECURITIES LIMITED AND IIFL SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, EACH OF THE PROMOTER SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY, WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING JM FINANCIAL LIMITED, AXIS CAPITAL LIMITED, ICICI SECURITIES LIMITED AND IIFL SECURITIES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 12, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act and at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholders and the BRLMs

Our Company, our Directors, the Promoter Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.askbrake.com, or any website of any Subsidiary or affiliates of our Company, or of any of the Group Companies, would be doing so at his or her own risk. It is clarified that the Promoter Selling Shareholders, do not accept and/or undertake any responsibility for any statements made or undertakings provided by any person other than those specifically made or undertaken by each Promoter Selling Shareholder in this Draft Red Herring Prospectus in relation to itself and its respective portion of the Offered Shares.

The BRLMs 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 Promoter Selling Shareholders (solely with respect to itself and its respective portion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None among our Company, the Promoter Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholders and their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoter Selling Shareholders and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), NBFC-SI or trusts under applicable trust law and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC-SIs and permitted Non-Residents including FPIs and Eligible

NRIs, AIFs, and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares offered in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares offered in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Delhi, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of our Company or of any of the Promoter Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

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.

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 other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the 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.

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.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares proposed to be Allotted pursuant to the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Promoter Selling Shareholders with regard to interest on such refunds will be reimbursed by such Promoter Selling Shareholder in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Promoter Selling Shareholder shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such failure or default or delay, as the case may be, is by, and is directly attributable to, an act or omission, of to such Promoter Selling Shareholder and such liability shall be limited to the extent of its respective portion of the Offered Shares.

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 six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI. Each of the Promoter Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable co-operation to the Company, as may be required solely in relation to their respective Offered Shares, in accordance with applicable law, to facilitate the process of listing the Equity Shares on the Stock Exchanges.

If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of: (a) each of the Promoter Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the Statutory Auditors, the legal counsel, the bankers/lenders to our Company, CRISIL, the BRLMs, independent chartered engineer, independent chartered accountant and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/Escrow Bank, Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act. Further, such consents have not been withdrawn until the date of this Draft Red Herring Prospectus.

Experts

Our Company has received a written consent dated June 12, 2023 from Walker Chandiok & Co LLP, Chartered Accountants to include their names as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated May 16, 2023 on our Restated Consolidated Financial Information; and (ii) their reports each dated June 12, 2023 on the Statement of Possible Special Direct Tax Benefits and Statement of Possible Special Indirect Tax Benefits (as disclosed in "***Statement of Special Tax Benefits***" on page 116), in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Company has received written consent dated June 12, 2023 from B.B. & Associates, Chartered Accountants, independent chartered accountants to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in relation to certifications and confirmations provided by them on certain financial and operational information included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. Such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

The independent chartered engineer, namely Ramanjeet Singh (membership number: 012362) have pursuant to their certificate dated June 12, 2023 given consent to our Company to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in their capacity as an independent chartered engineer, in relation to the ICE certificate certifying, *inter alia*, details of the installed capacity and capacity utilization at the facilities of our Company and Joint Venture, AFFPL, during the relevant periods and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues during the last five years

There have been no public issues, including any rights issues undertaken by our Company during the five years preceding the date of this Draft Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issues in the preceding three years by our Company, our listed group companies, Subsidiary and Associates

Except as disclosed in "***Capital Structure – Notes to Capital Structure – Equity share capital history of our Company***" on page 88, our Company has not made any capital issuances during the three years preceding the date of this Draft Red Herring Prospectus.

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiary or Group Companies. As on the date of this Draft Red Herring Prospectus, our Company does not have any associates.

Performance *vis-à-vis* Objects – Public/rights issue of our Company

Our Company has not undertaken any public issues, including any rights issues to the public in the five years preceding the date of this Draft Red Herring Prospectus.

Performance *vis-à-vis* Objects –Public/rights issue of subsidiaries/listed promoters

As on the date of this Draft Red Herring Prospectus, our Company does not have a listed Subsidiary. Our Promoters consist of only individuals.

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Price Information of past issues handled by the BRLMs

JM Financial Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited*

S. 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.	Avalon Technologies Limited*	8,650.00	436.00	April 18, 2023	436.00	-10.09% [2.95%]	Not Applicable	Not Applicable
2.	Elin Electronics Limited#	4,750.00	247.00	December 30, 2022	243.00	-15.55% [-2.48%]	-52.06% [-4.73%]	Not Applicable
3.	Uniparts India Limited#	8,356.08	577.00	December 12, 2022	575.00	-5.11% [-3.24%]	-7.38% [-4.82%]	-0.60% [0.80%]
4.	Archean Chemical Industries Limited*	14,623.05	407.00	November 21, 2022	450.00	25.42% [1.24%]	56.87% [-1.19%]	32.68% [0.24%]
5.	Bikaji Foods International Limited#7	8,808.45	300.00	November 16, 2022	321.15	28.65% [-0.29%]	26.95% [-2.50%]	24.23% [0.08%]
6.	Global Health Limited*	22,055.70	336.00	November 16, 2022	401.00	33.23% [0.03%]	35.94% [-3.47%]	61.67% [-0.52%]
7.	Fusion Micro Finance Limited*	11,039.93	368.00	November 15, 2022	359.50	9.86% [1.40%]	12.84% [-2.97%]	25.52% [-0.48%]
8.	Electronics Mart India Limited*	5,000.00	59.00	October 17, 2022	90.00	46.02% [6.31%]	42.63% [3.72%]	23.81% [2.98%]
9.	Harsha Engineers International Limited*	7,550.00	330.00	September 26, 2022	450.00	31.92% [3.76%]	10.68% [4.65%]	-2.18% [-0.42%]
10.	Paradeep Phosphates Limited#	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	31.19% [11.91%]

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. 15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *Not Applicable – Period not completed*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited.*

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	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	Less	Over 50%	Between	Less	Over 50%	Between	Less	Over 50%	Between	Less

				25%-50%	**than 25%**		**25%-50%**	**than 25%**		**25%-50%**	**than 25%**		**25%-50%**	**than 25%**
2023-2024	1	8,650.00	-	-	1	-	-	-	-	-	-	-	-	-
2022-2023	11	3,16,770.53	-	1	3	-	5	2	-	1	2	2	3	2
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4

Axis Capital Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited*

S. 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.	Mankind Pharma Limited[(2)]	43,263.55	1,080.00	09-May-23	1,300.00	+37.61%, [+2.52%]	-	-
2.	Elin Electronics Limited[(1)]	4,750.00	247.00	30-Dec-22	243.00	-15.55%, [-2.48%]	-52.06%, [-4.73%]	-
3.	Landmark Cars Limited[*(1)]	5,520.00	506.00	23-Dec-22	471.30	+22.83%, [+1.30%]	+1.16%, [-2.72%]	-
4.	Uniparts India Limited[(1)]	8,356.08	577.00	12-Dec-22	575.00	-5.11%, [-3.24%]	-7.38%, [-4.82%]	-0.60%, [+0.80%]
5.	Keystone Realtors Limited[(1)]	6,350.00	541.00	24-Nov-22	555.00	-12.26%, [-3.90%]	-9.70%, [-2.57%]	-8.64%, [-0.50%]
6.	Bikaji Foods International Limited[# (1)]	8,808.45	300.00	16-Nov-22	321.15	+28.65%, [-0.29%]	+26.95%, [-2.50%]	+24.17%, [+0.08%]
7.	DCX Systems Limited[(1)]	5,000.00	207.00	11-Nov-22	286.25	+17.10%, [+0.63%]	-12.56%, [-1.83%]	-12.32%, [-0.05%]
8.	Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)[$(2)]	7,550.00	330.00	26-Sep-22	450.00	+31.92%, [+3.76%]	+10.68%, [+4.65%]	-2.18%, [-0.42%]
9.	Tamilnad Mercantile Bank Limited[(1)]	8,078.40	510.00	15-Sep-22	510.00	-8.43%, [-3.36%]	+2.14%, [+4.34%]	-15.82%, [-2.83%]
10.	Paradeep Phosphates Limited[(1)]	15,017.31	42.00	27-May-22	43.55	-10.24%, [-3.93%]	+27.50%, [+7.65%]	+31.19%, [+11.91%]

(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
** Offer Price was ₹ 458.00 per equity share to Eligible Employees*
 # Offer Price was ₹ 285.00 per equity share to Eligible Employees
$Offer Price was ₹ 299.00 per equity share to Eligible Employees

Notes:

a. *Issue Size derived from Prospectus/final post issue reports, as available.*
b. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
c. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
d. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Axis Capital Limited.*

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	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%
2023-2024*	1	43,263.55	-	-	-	-	1	-	-	-	-	-	-	-
2022-2023	11	279,285.39	-	1	6	-	2	2	-	1	5	-	2	1
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.
Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

ICICI Securities Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited

S. 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.	Vedant Fashions Limited^^	31,491.95	866.00	16-FEB-22	935.00	+3.99%,[-0.20%]	+14.53%,[-8.54%]	+37.67%,[+2.17%]
2.	Life Insurance Corporation of India^	2,05,572.31	949.00(1)	17-MAY-22	867.20	-27.24%,[-3.27%]	-28.12%,[+9.47%]	-33.82%,[+13.76%]
3.	Prudent Corporate Advisory Services Limited^	4,282.84	630.00(2)	20-MAY-22	660.00	-20.71%,[-5.46%]	-2.10%,[+10.92%]	+26.23%,[+13.89%]
4.	Paradeep Phosphates Limited^	15,017.31	42.00	27-MAY-22	43.55	-10.24%,[-3.93%]	+27.50%,[+7.65%]	+31.19%,[+11.91%]
5.	Syrma SGS Technology Limited^	8,401.26	220.00	26-AUG-22	262.00	+31.11%[-1.25%]	+29.20%,[+4.55%]	+20.66%,[+3.13%]
6.	Fusion Micro Finance Limited^^	11,039.93	368.00	15-NOV-22	359.50	+9.86%,[+1.40%]	+12.84%,[-2.97%]	+25.52%,[-0.48%]
7.	Five Star Business Finance Limited^^	15,885.12	474.00	21-NOV-22	468.80	+29.72%,[+1.24%]	+19.20%,[-1.19%]	+11.72%,[+0.24%]
8.	Archean Chemical Industries Limited^^	14,623.05	407.00	21-NOV-22	450.00	+25.42%,[+1.24%]	+56.87%,[-1.19%]	+32.68%,[+0.24%]
9.	Landmark Cars Limited^	5,520.00	506.00(3)	23-DEC-22	471.30	+22.83%,[+1.30%]	+1.16%,[-2.72%]	NA*
10.	KFIN Technologies Limited^^	15,000.00	366.00	29-DEC-22	367.00	-13.55%,[-3.22%]	-24.56%,[-6.81%]	NA*

**Data not available.*
^BSE as designated stock exchange
^^NSE as designated stock exchange
(1) Discount of Rs. 45 per equity share offered to eligible employees and Retail Individual Bidders. Discount of Rs. 60 per equity share offered to eligible policyholders. All calculations are based on Issue Price of Rs. 949.00 per equity share
(2) Discount of Rs. 59 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 630.00 per equity share
(3) Discount of Rs. 48 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 506.00 per equity share.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by ICICI Securities Limited.

Financial Year	Total no. of	Total funds raised	Nos. of IPOs trading at discount on as on 30th calendar days from	Nos. of IPOs trading at premium on as on 30th calendar days from	Nos. of IPOs trading at discount as on 180th calendar days from	Nos. of IPOs trading at premium as on 180th calendar days from listing date

	IPOs	(₹ million)	listing date			listing date			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%
2023-24	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	-	-	4	2
2021-22	26	7,43,520.19	-	3	6	6	4	7	3	4	5	5	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.*

IIFL Securities Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited*

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Designated Stock Exchange as disclosed in the Red Herring Prospectus filed	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.	Tracxn Technologies Limited	3,093.78	80.00	NSE	October 20, 2022	84.50	-10.25%,[+4.23%]	+25.13%,[+2.79%]	-12.69%,[+0.81%]
2.	Fusion Micro Finance Limited	11,039.93	368.00	NSE	November 15, 2022	359.50	+9.86%,[+1.40%]	+12.84%,[-2.97%]	+25.52%,[-0.48%]
3.	Bikaji Foods International Limited	8,808.45	300.00(1)	NSE	November 16, 2022	322.80	+28.65%,[-0.29%]	+26.95%,[-2.50%]	+24.17%,[+0.08%]
4.	Archean Chemical Industries Limited	14,623.05	407.00	NSE	November 21, 2022	450.00	+25.42%,[+1.24%]	+56.87%,[-1.19%]	+32.68%,[+0.24%]
5.	Kaynes Technology India Limited	8,578.20	587.00	NSE	November 22, 2022	778.00	+19.79%,[-0.25%]	+48.24%,[-1.64%]	+102.18%,[-0.22%]
6.	Sula Vineyards Limited	9,603.49	357.00	NSE	December 22, 2022	361.00	+18.59%,[-0.55%]	-4.87%,[-5.63%]	N.A.
7.	KFin Technologies Limited	15,000.00	366.00	NSE	December 29, 2022	367.00	-13.55%,[-3.22%]	-24.56%,[-6.81%]	N.A.
8.	Radiant Cash Management Services Limited	2,566.41	94.00(2)	NSE	January 4, 2023	103.00	+2.55%,[-2.40%]	+2.23%,[-3.57%]	N.A.
9.	Avalon Technologies Limited	8,650.00	436.00	NSE	April 18, 2023	436.00	-10.09%,[+2.95%]	N.A.	N.A.
10.	Mankind Pharma Limited	43,263.55	1080.00	NSE	May 9, 2023	1300.00	+37.61%,[+2.52%]	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

(1) A discount of Rs. 15 per equity share was offered to eligible employees bidding in the employee reservation portion.

(2) Issue price for anchor investors was Rs. 99 per equity share.

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 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 from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 *initial public offers.*

2. *Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited.*

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	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%**
2021-22	17	3,58,549.95	-	-	5	-	4	8	-	6	4	3	1	3
2022-23	12	106,650.92	-	-	4	-	4	4	-	-	1	1	3	4
2023-24	2	51,913.55	-	1	1	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

NA means Not Applicable.

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Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

S. No	Name of the BRLM	Website
1.	JM Financial Limited	www.jmfl.com
2.	Axis Capital Limited	www.axiscapital.co.in
3.	ICICI Securities Limited	www.icicisecurities.com
4.	IIFL Securities Limited	www.iiflcap.com

Stock Market Data of the Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

SEBI, by way of its circular dated March 16, 2021 as amended by its circular dated April 20, 2022 ("**March 2021 Circular**"), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Per the March 2021 Circular, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank(s) containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalization of the Basis of Allotment.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled/withdrawn/deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation/withdrawal/deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock

Scenario	Compensation amount	Compensation period
Delayed unblock for non – Allotted/partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, helpline details of the BRLMs pursuant to March 2021 Circular, see "***General Information – Book Running Lead Managers***" on page 80.

All grievances in relation to the Bidding process, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or the application number duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

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

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

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.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with their obligations under applicable SEBI ICDR Regulations. Investor can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case any pre Offer or post Offer related problem such as non receipt of letter 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 SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company shall obtain authentication on the Securities and Exchange Board of India Complaints Redress System ("**SCORES**") and shall comply with the SEBI circulars in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. For details, see "***Our Management – Board Committees – Stakeholders' Relationship Committee***" on page 256.

Our Company has appointed Rajani Sharma, as the Company Secretary and Compliance Officer who may be contacted in case of any pre-Offer or post-Offer related grievances. Her contact details are as follows:

Plot No. 13, 14, Sector 5
IMT Manesar, Gurugram 122 050
Haryana, India
Tel: +91 124 439 6907
E-mail: compliance@askbrake.com

Each of the Promoter Selling Shareholders, has severally and not jointly authorized the Company to take all actions in respect of the Offer for Sale; and on its behalf in accordance with Section 28 of the Companies Act, 2013.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus.

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

Our Company has not sought any exemption from SEBI from complying with any provisions of securities laws.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN (for Anchor Investors), Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities, issued from time to time, by SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities while granting approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of transfer in accordance with applicable law. For more information, see "***Main Provisions of the Articles of Association***" beginning on page *434*.

Mode of Payment of Dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect. Any dividends declared, after the date of Allotment (pursuant to the transfer of Equity Shares in the Offer for Sale) in this Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For more information, see "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" beginning on pages 268 and 434, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 2 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, and published by our Company in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

The Offer

The Offer comprises an Offer for Sale by the Promoter Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and each of the Promoter Selling Shareholders in the manner specified in "***Objects of the Offer – Offer related expenses***" on page 103.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders will have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" beginning on page 434.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. 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 entered into amongst our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated February 9, 2023 among NSDL, our Company and the Registrar to the Offer; and
- tripartite agreement dated May 26, 2023 among CDSL, our Company and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares shall only be in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Share, subject to a minimum Allotment of [●] Equity Shares for Retail Individual Investors and minimum Non-Institutional application size for Non-Institutional Investors. For the method of Basis of Allotment, see "***Offer Procedure***" beginning on page 413.

Jurisdiction

Exclusive jurisdiction for the purposes of the Offer is with the competent courts/authorities in New Delhi, Delhi, India.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. 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 varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination/cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, 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 form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON#**	[●]

* *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

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

\# *UPI mandate end time and date shall be at 5:00 on [●].*

An indicative timetable in respect of the Offer is set out below:

BID/OFFER CLOSING DATE	[●]
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	On or about [●]
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT*	On or about [●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	On or about [●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE	On or about [●]

** In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date for (i) cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30,* *2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or any of the Promoter Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, with reasonable support and co-operation of each of the Promoter Selling Shareholders, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as extension of the Bid/Offer Period by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. Our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non-receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Promoter Selling Shareholders, severally and not jointly, confirms that it shall extend reasonable co-operation to the Company, as may be required solely in relation to their respective portion of the Offered Shares, in accordance with applicable law, to facilitate the process of listing the Equity Shares on the Stock Exchanges.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

**UPI mandate end time and date shall be at 5.00pm on Bid/Offer Closing Date.*

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors where the Bid Amount is in excess of ₹ 500,000; and
(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by UPI Bidders.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the bid closure time from the Bid/Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/Offer Period and revisions shall not be accepted on Saturdays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least 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 circumstances, our Company and the Promoter Selling Shareholders, in consultation with the Book Running Lead Managers may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three 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 BRLMs and at the terminals of the Syndicate Members, as applicable, and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment. The Floor Price shall not be less than the face value of the Equity Shares.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment as specified under terms of the Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, or fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares, our Company shall within four days from the closure of the Offer, refund the entire subscription amount received. If there is a delay beyond four days, interest at the rate of 15% per annum shall be paid by our Company and each of our Directors, in accordance SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. It is clarified that, subject to applicable laws, neither of the Promoter Selling Shareholders shall be liable to pay any amounts as interest for any delay, unless such default or delay is solely and directly attributable to an act or omission of the respective Selling Shareholder.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Allotment of Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding of our Company, lock-in of our Promoters' contribution and Anchor Investor lock-in, as detailed in "***Capital Structure***" beginning on page 88 and as provided in our Articles as detailed in "***Main Provisions of the Articles of Association***" beginning on page 434, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation or splitting.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed simultaneously.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Offer at any stage, including after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

OFFER STRUCTURE

Initial public offering of up to 29,571,390 Equity Shares of face value of ₹ 2 each, for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] comprising an Offer for Sale by the Promoter Selling Shareholders. The Offer shall constitute [●]% of the post Offer paid-up Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 6(1) and Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs(1)	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment or allocation*(2)	Not more than [●] Equity Shares aggregating up to ₹ [●] million.	Not less than [●] Equity Shares aggregating up to ₹ [●] million.	Not less than [●] Equity Shares aggregating up to ₹ [●] million.
Percentage of Offer Size available for Allotment or allocation	Not more than 50% of the Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs.	Not less than 15% of the Offer less allocation to QIB Bidders and RIIs will be available for allocation. One-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and undersubscription in either of these two subcategories of the Non-Institutional Category may be allocated to Bidders in the other subcategory of the Non Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.	Not less than 35% of the Offer less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above; and c) up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors.	The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Category, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	The allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "***Offer Procedure***" beginning on page 413.
Mode of Bid^	ASBA only (excluding the UPI Mechanism) except for Anchor Investors	ASBA only (including the UPI Mechanism for Bids up to ₹ 500,000)	ASBA only (including the UPI Mechanism)
Minimum Bid	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the Anchor Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		

Particulars	QIBs(1)	Non-Institutional Investors	Retail Individual Investors
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.		
Trading Lot	One Equity Share		
Who can apply(3)(5)(6)	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(4) **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Bank(s) through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form		

**Assuming full subscription in the Offer.*

(1) *Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.*

(5) *Bids by FPIs with certain structures as described under "**Offer Procedure – Bids by FPIs**" on page 419 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allocated and Allotted to such successful Bidders (with the same PAN) may be proportionately distributed.*

(6) *Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, the*

Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Category or the Retail Portion would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. 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 404.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of Bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 as amended from time to time, including pursuant to circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism with the ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days ("**UPI Phase I**"), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**"), as may be prescribed by SEBI. Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, 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 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.*

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism. Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four 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, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.*

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company, the Promoter Selling Shareholders, the BRLMs and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Category will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category. Further, not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

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 and the Promoter Selling Shareholders, in consultation with the BRLMs, and the Designated Stock Exchange, subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the Net QIB Portion, will 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 should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares offered in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RII had the option to submit the ASBA Form with any of the Designated 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 till further notice. Under this phase, submission of the ASBA Form by RIIs 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. 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 ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

Phase III: The commencement period of Phase III is yet to be notified. 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 will be made under UPI Phase II of the UPI Circulars, unless UPI Phase III of the UPI Circulars becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circulars, the same will be advertised in shall be advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located), on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint 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 Retail Individual Investors using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM(s) will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the 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.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 0.50 million, shall use the UPI Mechanism. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹ 0.20 million and up to ₹ 0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate

members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
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 SCSB investors and directly or indirectly, having common ownership of more than 50% as the Sponsor Banks to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period 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.

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 BSE (www.bseindia.com) and NSE (www.nseindia.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 BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in the case of UPI Bidders.

UPI Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by UPI Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Bids by ASBA Bidders

ASBA Bidders must provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated

May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders using the UPI Mechanism may submit their ASBA Forms with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
(ii) QIBs and NIIs (other than NIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which is effective from September 1, 2022.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors^^	[●]

**Excluding the electronic Bid cum Application Form.*
^Electronic Bid cum Application Form will be made available for download on the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com).
^^Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to the UPI Bidders, for blocking of funds. The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to the UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the BRLMs for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

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 only being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

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.

Participation by the Promoters and Members of our Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to BRLMs and the Syndicate Member

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) Mutual Funds sponsored by entities which are associate of the BRLMs;
(ii) insurance companies promoted by entities which are associate of the BRLMs;
(iii) AIFs sponsored by the entities which are associate of the BRLMs; or
(iv) FPIs other than individuals, corporate bodies and family offices which are associate of the BRLMs; or
(v) pension funds (registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013) sponsored by entities which are associate of the BRLMs.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Our Promoters, except to the extent of their respective Offered Shares, and the members of our Promoter Group, will not participate in the Offer. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

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 and the Promoter Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorize their 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 (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●]in colour).

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

For details of restrictions on investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" beginning on page 432.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs may be considered at par with Bids from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer equity share capital. Further, in terms of the FEMA Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up equity share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilize the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

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 Promoter Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason.

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 behalf of it subject to, inter alia, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilize the MIM structure, indicating the name of their respective investment managers in such confirmation;

- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**"), amongst others, prescribe the investment restrictions on VCFs, registered with SEBI. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations until the existing fund or scheme managed by the fund is wound up. The SEBI AIF Regulations, amongst others, prescribe the investment restrictions on AIFs. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Promoter Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in subsidiaries and other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company, subject to compliance with applicable requirements.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 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 and the Promoter Selling Shareholders, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the Promoter Selling Shareholders in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below:

(a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

(b) 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.

(c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

(d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, and will be completed on the same day.

(e) Our Company and Selling Shareholders may finalize allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by the Company and the Promoter Selling Shareholders, in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

    (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;

    (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and

    (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.

(f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

(g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

(h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the

Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

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

(j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, which are associate of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs) shall apply in the Offer under the Anchor Investor Portion. Further, no person related to our Promoters or members of our Promoter Group shall apply in the Offer under the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Promoter Selling Shareholders and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;

7. UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

9. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 pm on the Bid/Offer Closing Date;

10. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities

exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. 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;

16. 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;

17. Investors must ensure that their PAN is linked with Aadhaar and is in compliance with the Central Board of Direct Taxes notification dated February 13, 2020 bearing notification number 11/2020 and press release dated June 25, 2021.

18. 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;

19. 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;

20. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws; Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilize the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

21. UPI Bidders Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

22. Since the Allotment will be in dematerialized form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders) and PAN available in the Depository database;

23. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at h/www.sebi.gov.in);

24. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

25. Ensure that the Demographic Details are updated, true and correct in all respects;

26. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID

for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

27. 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 UPI Bidders, once the Sponsor Bank(s) issues the Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

28. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using their UPI PIN. Upon the authorization of the mandate using their UPI PIN, a UPI Bidder shall be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

29. UPI Bidders should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

30. 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.

31. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount in the RII's ASBA Account.

32. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs.

33. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are re-categorized as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and

34. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors;

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA account;

11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

15. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than UPI Bidders), do not submit more than one Bid cum Application Form per ASBA Account;

17. If you are a UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;

18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

19. Anchor Investors should not bid through the ASBA process;

20. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

21. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

22. Do not submit the GIR number instead of the PAN;

23. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

24. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

25. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Offer Closing Date;

26. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

27. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder, do not submit the ASBA Form directly with SCSBs;

28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

30. 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;

31. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected;

32. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders; and

33. 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.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "***General Information – Book Running Lead Managers***" on page 80.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "***General Information – Company Secretary and Compliance Officer***" on page 80.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalizing the basis of allotment in a fair and proper manner

The authorized employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the Offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the RIIs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities Allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each NII shall not be less than the minimum application size, subject to availability in the Non-Institutional Category, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in Schedule XIII to the SEBI ICDR Regulations.

The Allotment of Equity Shares to each RII shall not be less than the minimum Bid lot, subject to the availability of shares in RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Account

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"
(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter 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 Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located). In the pre-Offer advertisement, our Company shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in part A of Schedule X of the SEBI ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, Hindi also being the regional language of Delhi, where our Registered Office is located).

Signing of the Underwriting Agreement and filing with the Registrar of Companies, Delhi and Haryana at New Delhi, Delhi

Our Company and the Promoter Selling Shareholders intend to enter into an Underwriting Agreement after the finalization of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*
(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- if Allotment is not made within the prescribed timelines under applicable laws, the application monies will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within such period as may be prescribed under applicable law;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made from the date of this Draft Red Herring Prospectus till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, undersubscription, etc. and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders and that they will be considered similar to non-ASBA Applications while finalizing the Basis of Allotment.

Undertakings by the Promoter Selling Shareholders

Each of the Promoter Selling Shareholder, severally and not jointly, specifically undertakes and/or confirms the following solely in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

- it is the legal and beneficial holder and has full title to its respective portion of the Offered Shares;
- its respective portion of the Offered Shares shall be transferred pursuant to the Offer, free and clear of any encumbrances;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer; and
- it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges.

Utilization of Offer Proceeds

Our Board, specifically confirms that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the "**FDI Circular**"), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. The RBI and the concerned ministry/department are responsible for granting the approval for foreign investment under the FDI Circular and FEMA., Subject to conditions specified in the FDI Policy, up to 100% foreign investment under the automatic route is currently permitted in "manufacturing" subject to compliance with certain prescribed conditions.

All investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "***Offer Procedure – Bids by Eligible NRIs***" and "***Offer Procedure – Bids by FPIs***" each on page 419.

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 other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the 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.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Share capital and variation of rights

Article 8 provides that "the Share Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company. If the share capital of the Company consists of Preference Shares, the Company shall have right to issue and redeem the preference shares in accordance with the provisions of the Act. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control ofthe Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any personor persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board may think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares andif so issued, shall be deemed to be fully paid shares.

Provided that option or right to call of shares shall not be given to any person or persons without thesanction of the Company in the General Meeting."

Share certificates

Article 9 provides that "(i) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Board of Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the directors may prescribe and approve.

Provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to the first holder of the share. The Company shall be entitled to decline to register more than three persons as the joint holders of any shares. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under the article shall be issued without payment of fees if the Board of Directors so decide, or on payment of such fees (not exceeding ₹ 2 for each certificate) as the Board of Directors shall prescribe.

Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Further provided that notwithstanding what is stated above, the Board of Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Companies Act, 2013 or rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf.

The provisions of Article 9, shall mutatis mutandis apply to debentures or other securities of the Company as and when applicable."

Further issue of share capital

Article 16 provides that "Subject to Law and any amendments thereto from time to time, where, at any time, it is proposed to increase the subscribed capital of the Company by issue/allotment of further shares such shares shall be offered:

(i) to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up capital on those shares at that date by sending a letter of offer subject to the following condition, namely;
   (a) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days or such lesser number of days as may be prescribed and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
   (b) The aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub- clause (ii) shall contain a statement of this right; and
   (c) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.

(ii) To employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or

(iii) To any persons, if authorised by a Special Resolution, whether or not those persons include the persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, subject to compliance with applicable Laws.

The notice referred to in Article 16(i)(a) above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery or as permissible under the Act to all the existing shareholders at least three days before the opening of the issue.

Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued by the Company issued or loan raised by the Company to convert such debentures or loans into shares in the Company.

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a Special Resolution passed by the Company in general meeting.

Notwithstanding anything contained above, in case of debentures issued or loan granted by any Government, if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion, subject to the requirements of the Act being complied with.

In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, such terms shall also have been approved by the Special Resolution passed by the Company in General Meeting before the issue of the loans."

Commission for placing shares, debentures, etc.

Article 11 provides that
" (i) The Company may exercise the powers conferred under the Act of paying commissions to any person in connection with the subscription to its securities, subject to compliance with the requirements of the Act and rules made thereunder.
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed under the rules.
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other."

Article 12 provides that

"(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of holders of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class, in the manner prescribed under the Act.
(ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one- third of the issued shares of the class in question."

Article 13 provides that "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."

Article 14 provides that "Subject to the provisions of the Act, any preference shares of one or more classes which are liable to be redeemed or converted into equity shares, may be issued or re-issued by the Company by Special Resolution and on such terms and in such manner as the Company may before the issue of the shares determine."

Article 15 provides that "Subject to the provisions of Section 55 of the Act and the Rules and subject to the provisions on which any Shares may have been issued, the redemption of preference Shares may be effected on such terms and in such manner as may be provided by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit."

Calls on shares

Article 24 provides that
"(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
(iii) A call may be revoked or postponed at the discretion of the Board."

Article 25 provides that "A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments."

Article 26 provides that "The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part."

Article 27 provides that
"(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any
fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified."

Article 28 provides that
(i) The Board may, if it thinks fit, subject to the provisions of the Act, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the monies so paid or satisfied in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the

Board agree upon.
The Board may agree to repay at any time any amount so advanced: provided that monies paid in advance of calls on any shares may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.
(ii) No Member paying any such sum in advance shall be entitled to dividend or voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable.
The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company, if any."

Transfer of shares

Article 30 provides that
"(i) Any member may transfer his/her shares to any other existing members or legal heirs of member;
(ii) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee and shall be deposited with the Company for the registration of transfer of shares within 60 days from the date of execution;
(iii) The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All the instruments of transfer which the Board may decline to register shall on demand be returned to the person depositing the same unless the Board otherwise determines. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine;
(iv) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof."

Article 31 provides that "A common form of transfer shall be used in case of transfer of shares."

Article 32 provides that "No fee shall be charged for registration of transfer, transmission, probate, succession certificate, letter of administration, certificate of death or marriage, power of attorney or other similar document.
Subject to the provisions of the Act, these Articles, the Securities (Contracts) Regulation Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company.
The Company shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.

Provided that registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except where the Company has lien on shares. Transfer of shares/debentures in whatever lot shall not be refused."

Article 33 provides that "The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 of the Act and other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debentures and registration thereof."

Article 34 provides that "On giving not less than seven days' previous notice in accordance with the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

The provision of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company."

Transmission of shares

Article 35 provides that
"(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the

Company as having any title to his interest in the shares.
(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons."

Article 36 provides that
"(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
to be registered himself as the holder of the share; or
to make such transfer of the share as the deceased or insolvent member could have made.
(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency."

Article 37 provides that
"(i) If the person so becoming entitled shall elect to be registered as the holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member."

Article 38 provides that "A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he was the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with."

Article 39 provides that "The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit."

Forfeiture of shares

Article 40 provides that "If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued."

Article 41 provides that "The aforesaid notice shall—
(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited."

Article 42 provides that "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."

Article 43 provides that
"(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit."

Article 44 provides that "Neither the receipt by the Company for a portion of any money which may from time to time be due from any Member in respect of such Member's shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share."

Article 45 provides that
"(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares."

Article 46 provides that
"(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
(iii) The transferee shall thereupon be registered as the holder of the share; and
(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share."

Article 47 provides that "The provisions of these regulations 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."

Article 48 provides that "The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company, if any."

Capitalization of profits

Article 59 provides that "(i) The Company in general meeting may, upon the recommendation of the Board, resolve –
(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions."
(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards
(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
(b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid- up, to and amongst such members in the proportions aforesaid; and
(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
(iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.
(iv) The Board shall give effect to the resolution passed by the Company in pursuance of this Article."

Article 60 provides that
"(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall —
(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
(b) generally do all acts and things required to give effect thereto.
(ii) The Board shall have power—
(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares.
(iii) Any agreement made under such authority shall be effective and binding on such members."

Buy-back of shares

Article 61 provides that "Notwithstanding anything contained in these Articles but subject to the provisions of the Act and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities."

Dividends and reserves

Article 117 provides that "The Company in its general meetings may declare dividends, but no dividend shall exceed the amount recommended by the Board."

Article 118 provides that "Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company."

Article 119 provides that
"(i) The Board may, before recommending any dividend, may set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.
(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve."

Article 120 provides that
"(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly."

Article 121 provides that "The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company."

Article 122 provides that
"(i) Any dividend, interest or other monies payable in cash in respect of shares be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend. Cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address

as the holder or joint holders may in writing direct.
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
(iii) Payment in any way whatsoever shall be made at the risk of the Person entitled to the money paid or to be paid. The Company will not be responsible for any payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made."

Article 123 provides that "Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share."

Article 124 provides that "Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act."

Article 125 provides that "Unpaid or unclaimed dividend:

(a) If the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account".
(b) Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund established under sub-section (1) of Section 125 of the Act, viz. "Investor Education and Protection Fund" and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by the law."

Dematerialisation of securities

Article 131 provides that "Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and / or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder or pursuant to any other act as may be applicable, if any.
(a) Options for Investors:
(i) Every existing subscriber and every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the applicable law in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities; and
(ii) If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and/or transfer of securities in his name and on receipt of the information, the depository shall enter in its record the name of the allottee and/or transferee as the beneficial owner of the security.
(b) Securities in Depositories to be in Fungible Form:
All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 89 and other applicable provisions of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.
(c) Distinctive Numbers of Securities held in a Depository:
Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository. The Shares in the Capital shall be numbered progressively according to their several denominations provided, however, that the provision relating to progressive numbering shall not apply to the Shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner hereinabove mentioned, no Share shall be subdivided. Every forfeited or surrendered Share held in material form shall continue to bear the number by which the same was originally distinguished.
(d) Rights of Depositories and Beneficial Owners:
(i) Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;
(ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it;

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository; and

(iv) Except as ordered by any Court of competent jurisdiction or as required by any law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any Share or where the name appears as the Beneficial Owner of the Shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any Share in the joint names of any two or more Persons or the survivors or survivors of them.

(e) Service of Documents:

Notwithstanding anything to the contrary contained in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

(f) Provisions relating to physical shares mutatis mutandis apply to shares held in Demat form:

Except as specifically provided in these Articles, the provisions relating to joint holders of Shares, calls, lien on Shares, forfeiture of Shares and transfer and transmission of Shares shall be applicable to Shares held in Depository so far as they apply to Shares in physical form subject to the provisions of the Depository Act.

(g) Allotment of Securities Dealt in a Depository:

Notwithstanding anything contained in the Act or these Articles, where securities are dealt in a depository, the Company shall intimate the details thereof to the depository immediately on allotment and/or registration of transfer of such securities.

(h) Register and Index of Beneficial Owners:

The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the register and index of members and security holders for the purposes of these Articles.

(i) The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and subsisting contracts (not being contracts entered into in the ordinary course of business carried on by our Company and includes contracts entered into until the date of this Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These documents and contracts, copies of which will be attached to the copy of the Red Herring Prospectus and the Prospectus and filed with the RoC, and also the documents for inspection (including the Red Herring Prospectus) referred to hereunder may be inspected at our Registered Office, from 10.00 am to 5.00 pm on Working Days and on the website of the Company at www.askbrake.com/Inspection-material-documents from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such contracts and documents that will be executed subsequent to the completion of the Bid/Offer Closing Date).

Material Contracts to the Offer

1. Offer Agreement dated June 12, 2023 entered into among our Company, the Promoter Selling Shareholders and the BRLMs.

2. Registrar Agreement dated June 9, 2023 entered into among our Company, the Promoter Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Promoter Selling Shareholders, the BRLMs, the Syndicate Members, Banker(s) to the Offer and the Registrar to the Offer.

4. Share Escrow Agreement dated [●] entered into among our Company, the Promoter Selling Shareholders and the Share Escrow Agent.

5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Promoter Selling Shareholders and the Registrar to the Offer.

6. Underwriting Agreement dated [●] entered into among our Company, the Promoter Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended until date.

2. Certificate of incorporation dated January 18, 1988, and fresh certificate of incorporation dated January 6, 2023 issued pursuant to conversion from a private to a public company.

3. Resolution of the Board of Directors dated June 9, 2023, approving the Offer and other related matters.

4. Resolution of the Board of Directors dated June 9, 2023 approving this Draft Red Herring Prospectus for filing with the SEBI and the Stock Exchanges.

5. Resolution of our Board dated June 9, 2023 taking on record the consent of the Promoter Selling Shareholders to participate in the Offer for Sale.

6. Resolution of the IPO Committee dated June 12, 2023 approving this Draft Red Herring Prospectus for filing with the SEBI and the Stock Exchanges.

7. Consent letters June 6, 2023 and June 6, 2023 of Kuldip Singh Rathee and Vijay Rathee, respectively for participation in the Offer for Sale.

8. Copies of annual reports of our Company for the last three Fiscals, i.e., Fiscal 2023, 2022 and 2021.

9. Composite scheme of amalgamation and demerger between A.A. Autotech Private Limited, Vijaylaxmi Infra Projects Private Limited and our Company, approved by the NCLT, Principal Bench, New Delhi

in its order dated May 3, 2019.

10. Business purchase agreement dated March 26, 2018 executed by our Company, AK Auto Industries and Aman Rathee.

11. Business purchase agreement dated March 26, 2018 executed by our Company, APK Automotive and Prashant Rathee.

12. Joint venture agreement dated December 5, 2017 read with Amendment Agreement dated January 25, 2018 executed by and among our Company, Fras-Le S.A. and ASK Fras-Le Friction Private Limited.

13. Trademark license agreement dated January 25, 2018 executed between our Company and ASK Fras-Le Friction Private Limited.

14. License agreement dated January 25, 2018, executed between our Company and ASK Fras-Le Friction Private Limited.

15. Deed of guarantee dated November 24, 2020 executed by our Promoter, Kuldip Singh Rathee for ₹ 250 million in favour of Bajaj Finance Limited in respect of facilities availed by members of our Promoter Group, Prashant Rathee and Aman Rathee pursuant to a facility agreement dated November 24, 2020.

16. Deed of guarantee dated November 24, 2020 executed by our Promoter, Kuldip Singh Rathee for ₹ 200 million in favour of Bajaj Finance Limited in respect of facilities availed by member of our Promoter Group, Vijaylaxmi Infrabuild Private Limited pursuant to a facility agreement dated November 24, 2020.

17. Deed of guarantee dated January 19, 2021 executed by our Promoter, Vijay Rathee for ₹ 200 million in favour of Bajaj Finance Limited in respect of facilities availed by member of our Promoter Group, Vijaylaxmi Infrabuild Private Limited pursuant to a facility agreement dated November 24, 2020.

18. Deed of guarantee dated April 19, 2021 executed by our Promoter, Vijay Rathee for ₹ 200 million in favour of Bajaj Finance Limited in respect of facilities availed by member of our Promoter Group, Vijaylaxmi Infrabuild Private Limited pursuant to a facility agreement dated April 19, 2021.

19. Deed of guarantee dated April 19, 2021 executed by our Promoter, Kuldip Singh Rathee for ₹ 200 million in favour of Bajaj Finance Limited in respect of facilities availed by member of our Promoter Group, Vijaylaxmi Infrabuild Private Limited pursuant to a facility agreement dated April 19, 2021.

20. Deed of guarantee dated May 4, 2022 executed by our Promoters, Kuldip Singh Rathee and Vijay Rathee along with Prashant Rathee and Aman Rathee for ₹ 50 million in favour of Bajaj Finance Limited in respect of short-term revolving loan/working capital demand loan by a member of our Promoter Group, Vijaylaxmi Infrabuild Private Limited pursuant to a facility agreement dated May 4, 2022.

21. Sanction letter dated October 30, 2021 in relation to a home loan of ₹ 350.00 million availed by Vijaylaxmi Infra Projects Private Limited from Standard Chartered Bank for which our Promoter, Kuldip Singh Rathee has agreed to provide personal guarantee.

22. Resolutions of the Board dated April 29, 2023 each and the resolutions adopted by our Shareholders dated May 8, 2023 each in relation to terms of remuneration of our Whole-Time Directors, namely, Kuldip Singh Rathee (Chairman and Managing Director) Prashant Rathee, Aman Rathee, Rajesh Kataria.

23. Certificate dated June 12, 2023 received from B.B. & Associates, Chartered Accountants, independent chartered accountants on the Key Performance Indicators.

24. Reports dated June 12, 2023 on the Statement of Possible Special Direct Tax Benefits and Statement of Possible Special Indirect Tax Benefits from Walker Chandiok & Co LLP, Chartered Accountants, available to our Company and its shareholders, as included in this Draft Red Herring Prospectus.

25. The examination report from our Statutory Auditors dated May 16, 2023 on the Restated Consolidated Financial Information.

26. Consent dated June 12, 2023 from Walker Chandiok & Co. LLP, Chartered Accountants to include their names as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our statutory auditors, and in respect of their (i) examination report, dated May 16, 2023 on our Restated Consolidated Financial Information; and (ii) their reports each dated June 12, 2023 on the Statement of Possible Special Direct Tax Benefits and Statement of Possible Special Indirect Tax Benefits (as disclosed in "***Statement of Special Tax Benefits***" on page 116), in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

27. Consent dated June 12, 2023 from B.B. & Associates, Chartered Accountants, independent chartered accountants to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in relation to certifications and confirmations provided by them on certain financial and operational information included in this Draft Red Herring Prospectus.

28. Certificate dated June 12, 2023 from the independent chartered engineer, namely Ramanjeet Singh (membership number: 012362) providing consent to our Company to include his name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013, to the extent and in his capacity as an independent chartered engineer, in relation to the ICE certificate certifying, *inter alia*, details of the installed capacity and capacity utilization at the facilities of our Company and Joint Venture, AFFPL, during the relevant periods.

29. Consents of the Promoter Selling Shareholders, our Directors, bankers to our Company, the BRLMs, Registrar to the Offer, Banker(s) to the Offer, Syndicate Members, legal counsel, lenders to the Company, Company Secretary and Compliance Officer of our Company, to act in their respective capacities.

30. Industry report titled "*Assessment of Advanced Braking Systems, Aluminium Lightweighting Precision Solutions and Safety Control Cable Segments*" dated January 2023 prepared by CRISIL, commissioned and paid for by our Company exclusively in connection with the Offer, and consent letter dated June 6, 2023 issued by CRISIL in this regard.

31. Tripartite Agreement dated February 9, 2023, among our Company, NSDL and the Registrar to the Offer.

32. Tripartite Agreement dated May 26, 2023, among our Company, CDSL and the Registrar to the Offer.

33. Due diligence certificate to SEBI from the BRLMs, dated June 12, 2023.

34. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

35. SEBI final observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other applicable law.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Kuldip Singh Rathee
(Managing Director and Chairman)

Date: June 12, 2023

Place: Gurugram, Haryana

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Vijay Rathee
(Non-Executive Director)

Date: June 12, 2023
Place: New Delhi, Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Prashant Rathee
(Whole-Time Director)

Date: June 12, 2023

Place: Gurugram, Haryana

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Aman Rathee
(Whole-Time Director)

Date: June 12, 2023

Place: Milan, Italy

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rajesh Kataria
(Whole-Time Director)

Date: June 12, 2023

Place: Gurugram, Haryana

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Arun Duggal
(Independent Director)

Date: June 12, 2023

Place: New York, U.S.A.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Kumaresh Chandra Misra
(Independent Director)

Date: June 12, 2023

Place: Raipur, Chhattisgarh

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Deepti Sehgal
(Independent Director)

Date: June 12, 2023

Place: California, U.S.A.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Yogesh Kapur
(Independent Director)

Date: June 12, 2023

Place: Gurugram, Haryana

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Vinay Kumar Piparsania
(Independent Director)

Date: June 12, 2023

Place: London, United Kingdom

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with, and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Naresh Kumar
(Chief Financial Officer)

Date: June 12, 2023

Place: Gurugram, Haryana

DECLARATION BY SELLING SHAREHOLDER

I, Kuldip Singh Rathee, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Promoter Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, disclosures or undertakings, including, any of the statements, disclosures or undertakings made or confirmed by the Company, the other Promoter Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Kuldip Singh Rathee

Date: June 12, 2023

Place: Gurugram, Haryana

DECLARATION BY SELLING SHAREHOLDER

I, Vijay Rathee, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus about or in relation to myself, as a Promoter Selling Shareholder and the Equity Shares being offered by me in the Offer for Sale, are true and correct. I assume no responsibility for any other statements, disclosures or undertakings, including, any of the statements, disclosures or undertakings made or confirmed by the Company, the other Promoter Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Vijay Rathee

Date: June 12, 2023

Place: New Delhi, Delhi