Draft Red Herring Prospectus
***Dated: September 28, 2026***
***100% Book Built Issue***
*Please read Section 26 and 32 of the Companies Act, 2013*
*(This Draft Red Herring Prospectus will be updated upon filing with ROC)*

*(Scan this code to view Draft Red Herring Prospectus & Draft Abridged Prospectus)*

# AUTO RECYCLING SYSTEMS LIMITED

**Corporate Identity Number: U27200DL2020PLC374942**

| REGISTERED OFFICE | CORPORATE OFFICE | CONTACT PERSON | TELEPHONE AND EMAIL | WEBSITE |
|---|---|---|---|---|
| 14/A33, IIIrd Floor, Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India | Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana-121102, India | Ms. Jyoti Bala Soni; Company Secretary and Compliance Officer | **Tel No:** +91 01275-299580; **Email Id:** info@arsgreen.com | www.arsgreen.com |

**PROMOTERS OF OUR COMPANY: SANJEEV MALHOTRA AND SARTHAK MALHOTRA**

**DETAILS OF THE ISSUE**

| TYPE | FRESH ISSUE SIZE (IN ₹ LAKHS) | OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹) | TOTAL ISSUE SIZE | ELIGIBILITY |
|---|---|---|---|---|
| Fresh Issue | Upto 69,00,000 Equity Shares of ₹10/- each aggregating to ₹ [●] Lakhs | Nil | Upto 69,00,000 Equity Shares of ₹10/- each aggregating to ₹ [●] Lakhs | THE ISSUE IS BEING MADE PURSUANT TO REGULATION 229(2) OF CHAPTER IX OF SEBI ICDR REGULATIONS, 2018. AS THE COMPANY'S POST ISSUE PAID-UP CAPITAL IS MORE THAN ₹ 1000 LAKHS AND UPTO ₹ 2500 LAKHS. |

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

**RISK IN RELATION TO THE FIRST ISSUE**

The face value of the Equity Shares is ₹ 10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in *"**Basis for Issue Price**"* beginning on page no. 93 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily Delhi regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to chapter titled "***Risk Factors***" beginning on page no. 16 of this Draft Red Herring Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, 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.

**LISTING**

The Equity Shares issued through Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (BSE SME) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE").

**BOOK RUNNING LEAD MANAGER TO THE ISSUE**

| NAME AND LOGO | CONTACT PERSON | EMAIL & TELEPHONE |
|---|---|---|
| Elevating Wealth, Empowering Ventures Finaax CAPITAL ADVISORS PRIVATE LIMITED | Mr. Ikshit Shah/Mr. Yash Doshi | **Email:** info@finaaxcapital.com **Tel. No:** +91 94295 50695 / 95375 94321 |
| **Finaax Capital Advisors Private Limited** | | |

**REGISTRAR TO THE ISSUE**

| NAME AND LOGO | CONTACT PERSON | EMAIL & TELEPHONE |
|---|---|---|
| KFINTECH EXPERIENCE TRANSFORMATION | M Murali Krishna | **Email:** autorecycling.ipo@kfintech.com **Tel. No:** +91 40 6716 2222 |
| **KFIN Technologies Limited** | | |

**BID/ISSUE PERIOD**

| BID/ISSUE OPENS ON: [●] | BID/ISSUE CLOSES ON: [●] |
|---|---|

*Our Company in consultation with the Book Running Lead Manager 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/ Issue Opening Date.*

***Draft Red Herring Prospectus***
***Dated: September 28, 2026***
***100% Book Built Issue***
*Please read Section 26 and 32 of the Companies Act, 2013*
*(This Draft Red Herring Prospectus will be updated upon filing with ROC)*

# AUTO RECYCLING SYSTEMS LIMITED

**Corporate Identity Number: U27200DL2020PLC374942**

Our Company was incorporated as "Auto Recycling Systems Private Limited" as a private limited company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated December 24, 2020, issued by Assistant Registrar of Companies. Further, our Company was converted from a private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of our Company dated May 12, 2026, and consequently, the name of our Company was changed from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited" and a fresh certificate of incorporation dated June 16, 2026, was issued to our Company by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U27200DL2020PLC374942.

**Registered Office:** 14/A33, IIIrd Floor, Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India
**Website:** www.arsgreen.com; **E-Mail:** info@arsgreen.com; **Telephone No:** +91 01275-299580;
**Company Secretary and Compliance Officer:** Ms. Jyoti Bala Soni

**PROMOTERS OF OUR COMPANY: SANJEEV MALHOTRA AND SARTHAK MALHOTRA**

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC ISSUE OF UPTO 69,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF AUTO RECYCLING SYSTEMS LIMITED ("ARSL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE"), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] % AND [●] %, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITION OF [●] REGIONAL NEWSPAPER (REGIONAL LANGUAGE OF DELHI WHERE OUR REGISTERED OFFICE IS LOCATED). AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE [●] "[●]") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS SEE "*TERMS OF THE ISSUE*" BEGINNING ON PAGE NO. 295.**

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Issue Period for a minimum of one Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue 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 BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE**

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended **("SCRR")** read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company and the selling shareholder in consultation with the BRLMs may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"). However, with effect from December 01, 2025, pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, of which, up to 40% of the Anchor Investor Portion shall be reserved in the following manner, (i) 33.33% shall be available for allocation to domestic Mutual Funds and (ii) 6.67% shall be available for allocation to life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies, and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription under (ii) above, the allocation may be made to domestic Mutual Funds. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion"). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. In terms of Regulation 256 of SEBI ICDR Regulations read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and Unified Payments Interface (UPI) introduced vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, all Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount **("ASBA")** process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks **("SCSBs")** or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see "***Issue Procedure***" beginning on page no. 310 of Draft Red Herring Prospectus. Provided further that for the purpose of public issue by an issuer to be listed /listed on SME exchange made in accordance with Chapter IX of these regulations, the words "individual investors" shall be read as words "individual investors who applies for minimum application size".

**ELIGIBLE INVESTORS**

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "***Issue Procedure***" beginning on page no. 310 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each. The Floor Price, the Cap Price and the Issue Price 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 RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the chapter titled *"**Risk Factors**"* on page no. 16.

**COMPANY'S ABSOLUTE RESPONSIBILITY**

The Issuer, 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 Issue, which is material in the context of the Issue, 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.

**LISTING**

The Equity Shares Issued through Draft Red Herring Prospectus are proposed to be listed on SME Platform of BSE Limited ("BSE SME"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] from BSE Limited ("BSE") for using its name in Issue document for listing our shares on the SME Platform of BSE Limited ("BSE SME"). For this Issue, the designated Stock Exchange is the BSE Limited ("BSE").

| **BOOK RUNNING LEAD MANAGER** | **REGISTRAR TO THE ISSUE** |
|---|---|
| **FINAAX CAPITAL ADVISORS PRIVATE LIMITED**<br>**SEBI Registration Number:** INM000013244<br>**Address**: 618, East Wing, Venus Stratum, Near Jhansi Ki Rani, Nehrunagar, Ahmedabad – 380015, Gujarat, India<br>**Telephone Number:** +91 94295 50695 / 95375 94321<br>**Email Id:** info@finaaxcapital.com<br>**Investors Grievance Id:** investors@finaaxcapital.com<br>**Website:** www.finaaxcapital.com<br>**Contact Person:** Mr. Ikshit Shah / Mr. Yash Doshi<br>**CIN:** U64990GJ2023PTC147118 | **KFIN TECHNOLOGIES LIMITED**<br>**Address:** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai – 400070, Maharashtra<br>**Tel No.:** +91 40 6716 2222;<br>**Email Id:** autorecycling.ipo@kfintech.com<br>**Investor Grievance Email:** einward.ris@kfintech.com<br>**Website:** www.kfintech.com<br>**Contact Person:** M Murali Krishna;<br>**SEBI Registration No.:** INR000000221;<br>**CIN:** L72400MH2017PLC444072 |

**BID/ISSUE PERIOD**

| **ISSUE OPENS ON: [●]** | **ISSUE CLOSES ON: [●]** |
|---|---|

*Our Company in consultation with the Book Running Lead Manager 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/ Issue Opening Date.*

## TABLE OF CONTENTS


**SECTION I – GENERAL** ..... **1**
DEFINITIONS AND ABBREVIATIONS ..... 1
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA ..... 14
FORWARD LOOKING STATEMENTS ..... 15
**SECTION II- RISK FACTORS** ..... **16**
**SECTION III – INTRODUCTION** ..... **41**
THE ISSUE ..... 41
SUMMARY OF FINANCIAL INFORMATION ..... 44
SUMMARY OF CONTINGENT LIABILITIES ..... 48
SUMMARY OF RELATED PARTY TRANSACTION ..... 49
**SECTION IV - GENERAL INFORMATION** ..... **51**
**SECTION V - CAPITAL STRUCTURE** ..... **62**
**SECTION - VII – PARTICULARS OF THE ISSUE** ..... **76**
OBJECTS OF THE ISSUE ..... 76
BASIS FOR ISSUE PRICE ..... 93
STATEMENT OF POSSIBLE TAX BENEFITS ..... 103
**SECTION VIII – ABOUT OUR COMPANY** ..... **106**
INDUSTRY OVERVIEW ..... 106
BUSINESS OVERVIEW ..... 147
KEY INDUSTRY REGULATIONS ..... 173
HISTORY AND CORPORATE STRUCTURE ..... 180
OUR MANAGEMENT ..... 184
OUR PROMOTERS AND PROMOTERS GROUP ..... 201
DIVIDEND POLICY ..... 206
**SECTION IX – FINANCIAL INFORMATION OF OUR COMPANY** ..... **207**
RESTATED FINANCIAL STATEMENTS ..... 207
OTHER FINANCIAL INFORMATION ..... 245
STATEMENT OF FINANCIAL INDEBTEDNESS ..... 247
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS ..... 251
CAPITALIZATION STATEMENT ..... 265
**SECTION X – LEGAL AND OTHER INFORMATION** ..... **266**
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS ..... 266
GOVERNMENT AND OTHER APPROVALS ..... 273
**SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES** ..... **278**
**SECTION XII – OTHER REGULATORY AND STATUTORY DISCLOSURES** ..... **281**
**SECTION XIII – ISSUE RELATED INFORMATION** ..... **295**
TERMS OF THE ISSUE ..... 295
ISSUE STRUCTURE ..... 304
ISSUE PROCEDURE ..... 310
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES ..... 339
**SECTION XIV- DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION** ..... **340**
**SECTION XV – OTHER INFORMATION** ..... **371**
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION ..... 371
DECLARATION ..... 373

## SECTION I – GENERAL

## DEFINITIONS AND ABBREVIATIONS

**This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, directions, guidelines, circulars, notifications, clarifications or policies shall be to such legislations, acts, regulations, rules, directions, guidelines, circulars, notifications, clarifications or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.**

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, SEBI Listing Regulations, the Companies Act, the SCRA, and the Depositories Act and the rules and regulations made thereunder. Further, the Issue related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document (as defined below). In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

The terms not defined herein but used in the chapter titled ***"Basis for Issue Price"***, ***"Statement of Possible Tax Benefits"***, ***"Industry Overview"***, ***"Key Industry Regulations"***, ***"History and Corporate Structure"***, ***"Restated Financial Statements"***, ***"Information with respect to Group Companies"***, ***"Outstanding Litigations and Material Developments"***, ***"Issue Procedure"*** and ***"Description of Equity Shares and Terms of the Articles of Association"*** beginning on page no. 93, 103, 106, 173, 180, 207, 278, 266, 310 and 340 respectively, shall have the meanings ascribed to such terms in these respective section.

### GENERAL TERMS

| Term | Description |
|---|---|
| "Auto Recycling Systems Limited", "Our Company", "we", "us", "our", "the Company", "the Issuer Company" or "the Issuer" | Auto Recycling Systems Limited, a company incorporated in India under the Companies Act, 2013, having its Registered Office at 14/A33, IIIrd Floor, Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India |
| Our Promoters | 1. Sanjeev Malhotra<br>2. Sarthak Malhotra |
| Promoters' Group | Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled ***"Our Promoters and Promoters' Group"*** beginning on page no. *201*. |

### COMPANY RELATED TERMS

| Term | Description |
|---|---|
| Articles / Articles of Association / AOA | Articles of Association of our Company, as amended, from time to time. |
| Audit Committee | The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer chapter titled ***"Our Management"*** beginning on page no. 184 of this Draft Red Herring Prospectus. |
| Auditor of our Company / Statutory Auditor | The Statutory Auditor of our Company, M/s. M Parashar & Co, Chartered Accountants, as mentioned in the chapter titled ***"General Information"*** beginning on page no. 51 of this Draft Red Herring Prospectus. |
| Peer Review Auditor | The Statutory Auditor of our Company, M/s. M Parashar & Co, Chartered Accountants, holding a valid peer review certificate as mentioned in the chapter titled ***"General Information"*** beginning on page no. 51 of this Draft Red Herring Prospectus. |
| Bankers to the Company | Kotak Mahindra Bank Ltd |
| Board of Directors / Board / | The Board of Directors of Auto Recycling Systems Limited unless otherwise |

| Term | Description |
|---|---|
| BOD | specified. |
| Companies Act | The Companies Act, 2013, as amended from time to time. |
| CIN | Corporate Identification Number of our Company i.e. U27200DL2020PLC374942. |
| CMD | The Chairman and Managing Director of our Company, being Sanjeev Malhotra. |
| Chief Financial Officer (CFO) | The Chief Financial Officer of our Company, Meenakshi Gupta. |
| Company Secretary and Compliance Officer (CS) | The person qualified to be a Company Secretary as the Compliance officer of our Company, being Jyoti Bala Soni. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| DIN | Director Identification Number |
| Equity Shares | Equity Shares of our Company of Face Value of ₹10/- each unless otherwise specified in the context thereof. |
| Equity Shareholders | Persons/ Entities holding Equity Shares of Our Company. |
| ED | The Executive Director of our Company. |
| Group Companies | Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, "Group companies" shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in the chapter titled ***"Information with respect to Group Companies"*** beginning on page no. 278 of this Draft Red Herring Prospectus. |
| Independent Director | A Non-Executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| ISIN | INE2EZ201018 |
| Key Managerial Personnel / Key Managerial Employees | The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled ***"Our Management"*** beginning on page no. 184 of this Draft Red Herring Prospectus. |
| Materiality Policy | The policy on identification of group companies, material creditors and material litigation, adopted by our Board on September 17, 2026 in accordance with the requirements of the SEBI ICDR Regulations. |
| MOA / Memorandum / Memorandum of Association | Memorandum of Association of our Company as amended from time to time. |
| Non Residents | A person resident outside India, as defined under FEMA. |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer chapter titled ***"Our Management"*** beginning on page no. 184 of this Draft Red Herring Prospectus. |
| Non-Executive Director | A Director not being an Executive Director or an Independent Director. |
| NRIs / Non Resident Indians | A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulation, 2000. |
| Registered Office | The Registered office of our Company located at 14/A33 IIIrd Floor Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India. |
| Restated Financial Statements | The restated financial statements of our Company, which comprises the restated financial statement of assets and liabilities, the restated statement of profit and loss, the restated financial statement of cash flows for the financial year ended on March 31, 2026, March 31, 2025 and March 31, 2024, the summary statement of significant accounting policies read together with the annexures and notes thereto and other restated financial information, prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. |

| Term | Description |
|---|---|
| ROC / Registrar of Companies | Registrar of Companies, Delhi II. |
| Stakeholders' Relationship Committee | The Stakeholders' Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer chapter titled ***"Our Management"*** beginning on page no. 184 of this Draft Red Herring Prospectus. |
| WTD | "Whole-time director" includes a Director in the whole-time employment of the company. |

## ISSUE RELATED TERMS

| Term | Description |
|---|---|
| Applicant | Any prospective investor who makes an application for Equity Shares in terms of this Draft Red Herring Prospectus. |
| Abridged Prospectus | Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf. |
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application. |
| Application Form | The Form in terms of which the applicant shall apply for the Equity Shares of our Company. |
| Application Supported by Blocked Amount / ASBA | An application, whether physical or electronic, used by applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. |
| ASBA Account | An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form. |
| Allotment | Issue of the Equity Shares pursuant to the Issue to the successful applicants. |
| Allottee | The successful applicant to whom the Equity Shares are being / have been issued. |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus and who had Bid for an amount of at least ₹ 200 Lakhs. |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Issue Period. |
| Anchor Investor Application Form | The application 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 Bid/Issue Period or Anchor Investor Bidding Date | The date one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed. |
| Anchor Investor Issue Price | The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price.<br><br>The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager. |
| 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 Issue Price, not later than two Working Days after the Bid/ Issue Closing Date. |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. |

| Term | Description |
|---|---|
| | Further, pursuant to the SEBI (ICDR) (Third Amendment) Regulations, 2025, forty per cent of the anchor investor portion, within the limits specified in sub-paragraph (b) of paragraph 10 (d) of Part A of Schedule XIII of the SEBI ICDR Regulations, 2018, shall be reserved as under: (i) 33.33% for domestic mutual funds and (ii) 6.67% for life insurance companies and pension funds. Any undersubscription in the reserved category specified in clause (ii) above may be allocated to domestic mutual funds. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. |
| Basis of Allotment | The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the chapter titled *"**Issue Procedure**"* beginning on page no. 310 of this Draft Red Herring Prospectus. |
| Bankers to the Issue, Sponsor and Refund Banker | [●] |
| Banker to the Issue Agreement | Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker of the Issue. |
| Bid | An indication to make an Issue during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Draft Red Herring Prospectus and the relevant 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 and, in the case of IBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such IBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. |
| Bid/Issue Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in a widely circulated English national daily newspaper, a widely circulated Hindi national daily newspaper and a widely circulated newspaper in the regional language, where our Registered Office is located. |
| Bid/Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in a widely circulated English national daily newspaper, a widely circulated Hindi national daily newspaper and a widely circulated newspaper in the regional language, where our Registered Office is located. |
| Bid/ Issue Period | Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Draft Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.<br><br>In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of 1 (One) Working Days, subject to the Bid/ Issue Period not exceeding 10 (Ten) Working Days. |
| Bidding Centers | Centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, |

| Term | Description |
|---|---|
| | Broker Centers 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 Issue is being made. |
| BRLM / Book Running Lead Manager | Book Running Lead Manager to the Issue, in this case being Finaax Capital Advisors Private Limited, SEBI Registered Category - I Merchant Banker. |
| Business Day | Monday to Friday (except public holidays). |
| Broker Centers | Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange. |
| CAN or Confirmation of Allocation Note | The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange. |
| Cap Price | The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted. |
| Cash Escrow and Sponsor Bank Agreement | Agreement dated [●] entered into and amongst our Company the Registrar to the Issue, the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank and Refund Bank(s) in accordance with UPI Circulars, for inter alia, the appointment of the Sponsor Bank in accordance, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof |
| Client Id | Client Identification Number maintained with one of the Depositories in relation to demat account. |
| Collecting Depository Participant/ CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of the Stock Exchanges. |
| Cut-off Price | The Issue Price, as finalised by our Company in consultation with the BRLM, which shall be any price within the Price Band. Only Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non- Institutional Bidders are not entitled to Bid at the Cut-off Price |
| Depository | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996. |
| Demographic Details | The demographic details of the Applicants such as their Address, PAN, name of the applicant father / husband, investor status, occupation and Bank Account details. |
| Designated Date | The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer. |
| Designated Intermediaries | The members of the Syndicate, sub-syndicate / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue. |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996. |
| Designated Stock Exchange | SME Platform of BSE Limited ("BSE SME"). |
| DP ID | Depository Participant's Identity Number. |
| Draft Red Herring Prospectus/DRHP | The Draft Red Herring Prospectus dated September 28, 2026 issued in accordance with Section 26 and 32 of the Companies Act filed with the SME Platform of BSE Limited under SEBI (ICDR) Regulations. |

| Term | Description |
|---|---|
| Eligible NRI | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depositary participants. |
| Engagement Letter | The engagement letter dated January 29, 2026 between our Company and the BRLM. |
| Escrow Account | Accounts opened with the Banker to the Issue. |
| Escrow Collection Bank | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●]. |
| Electronic Transfer of Fund | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Fraudulent Borrower | Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations. |
| First/Sole Bidder | The bidder whose name appears first in the Bid cum Application Form or Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| Floor Price | The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted. |
| 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 by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of Stock Exchanges and the Book Running Lead Manager. |
| Gross Proceeds | The gross proceeds of the Fresh Issue that will be available to our Company. |
| IPO | Initial Public Offering. |
| Individual Applicants or Individual Bidder(s) or Individual Investor(s) or II(s) or IB(s) | Investors applying for Minimum application size which shall be two lots per application, such that the minimum application size shall be above ₹ 2 lakhs. (including HUFs applying through their Karta) and Eligible NRIs. |
| Individual Investors Portion | The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares of face value of ₹10/ each, available for allocation to Individual Bidders. |
| Issue / Issue Size / Public Issue | The Public Issue upto 69,00,000 Equity Shares of ₹10/- each at ₹ [●]/- per Equity Share including share premium of ₹[●]/- per Equity Share aggregating to ₹ [●] Lakhs by Auto Recycling Systems Limited. |
| Issue Price | The price at which the Equity Shares are being issued by our Company through this Draft Red Herring Prospectus, being ₹ [●]/- (including share premium of ₹ [●]/- per Equity Share). |
| Issue Proceeds | The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see chapter titled ***"Object of the Issue"*** beginning on page no. 76 of this Draft Red Herring Prospectus. |
| KPI | Key Performance Indicators. |
| Listing Agreement | Unless the context specifies otherwise, this means the SME Equity Listing Regulation to be signed between our company and BSE Limited. |
| Market Maker | The Market Maker to the Issue, in this case being [●]. |
| Market Maker | The Reserved portion of [●] Equity shares of ₹ 10 each at an Issue Price of ₹ [●] aggregating |

| Term | Description |
|---|---|
| Reservation Portion | to ₹ [●] for Designated Market Maker in the Public Issue of our Company. |
| Market Making Agreement | The Agreement among the Market Maker, the Book Running Lead Manager and our Company dated [●]. |
| Minimum Promoters Contribution | Aggregate of 20% of the fully diluted post-Offer equity share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoter that shall be locked-in for a period of 3 years from the date of commencement of commercial production or date of allotment of Equity Shares, whichever is later. For details regarding the Minimum Promoters' Contribution, see chapter titled **"*Capital Structure*"** beginning on page no. [●]. |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of ₹10/- each at ₹[●]/- per Equity Share including share premium of ₹[●]/- per Equity Share aggregating to ₹ [●] Lakhs by Auto Recycling Systems Limited. |
| Net Proceeds | The proceeds from the Issue less the Issue related expenses applicable to the Fresh Issue. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors. |
| Non-Institutional Investors/ NIIs/ or Non-Institutional Bidders or NIBs | Investors other than Individual Investors, NRIs and QIBs and who have Bid for Equity Shares for more than two lots. |
| Non-Institutional Portion / NIBs | The portion of the Issue being not less than 15% of the Issue, consisting of [●] Equity Shares, of which: (i) one-third shall be reserved for Bidders with Bids more with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs; and (ii) two-third shall be reserved for Bidders with Bids more than ₹ 10.00 Lakhs subject to valid Bids being received at or above the Issue Price and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion. |
| Non-Resident | A person resident outside India, as defined under FEMA Act, 1999 and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI. |
| NPCI | NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA). |
| Prospectus | The Prospectus, to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information. |
| Public Issue Account | An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors. |
| Pay-in-Period | The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date. |
| Payment through electronic transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable. |
| Price Band | Price Band of a minimum price (Floor Price) of ₹[●]/- and the maximum price (Cap Price) of ₹[●]/- and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date. |
| Pricing Date | The date on which our Company in consultation with the BRLM will finalize the Issue Price |
| Public Announcement | The Draft Red Herring Prospectus filed with BSE will be made public for comments, if any, for a period of at least twenty-one days from the date of filing the Draft Red Herring Prospectus, by hosting it on our Company's website, BSE SME website and Book Running Lead Manager's website.<br>Our Company will, within two working days of filing the Draft Red Herring Prospectus with BSE SME, make a public announcement in all editions of [●] (a widely circulated English national daily |

| Term | Description |
|---|---|
| | newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of the [●], a regional newspaper where our Registered Office is located, disclosing the fact of filing of the Draft Red Herring Prospectus with BSE SME and inviting the public to provide their comments to the BSE SME Exchange, our Company or the Book Running Lead Manager(s) in respect of the disclosures made in this Draft Red Herring Prospectus. |
| Qualified Institutional Buyers / QIBs | A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of Rs 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India. |
| QIB Category/ QIB Portion | The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Issue, consisting of [●], which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price |
| Red Herring Prospectus / RHP | The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. |
| Refund Account | Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made. |
| Registrar / Registrar to the Issue | Registrar to the Issue, being KFIN Technologies Limited. |
| Registrar Agreement | The agreement dated September 11, 2026 entered into amongst our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Registrar and Share Transfer Agents/ RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the websites of Stock Exchanges, and the UPI Circulars |
| Regulations | Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018. |
| Revision Form | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Individual Bidders (subject to the minimum application size above ₹ 2.00 Lakhs) can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date |
| SCSB(s) | A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 , or such other website as may be prescribed by SEBI from time to time |

| Term | Description |
|---|---|
| | Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 , as updated from time to time |
| SME Platform of BSE / SME Exchange / Stock Exchange | The SME Platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI (ICDR) Regulations. |
| Sponsor Bank | The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars. The Sponsor Bank in this case being [●] |
| Syndicate Agreement | Agreement dated [●] entered into among our Company, the BRLM and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate |
| Syndicate member | Syndicate member to the issue is [●]. |
| Underwriter | Underwriter to the issue is [●]. |
| Underwriting Agreement | The Agreement entered into between the Underwriter and our Company dated [●]. |
| UPI | Unified payment Interface, which is an instant payment mechanism, developed by NPCI. |
| UPI Circular | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, 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/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI 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 Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Individual Bidder to such Mobile App) to the Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment. |
| UPI Mechanism | The bidding mechanism that may be used by a Individual Investors to make a Bid in the Offer in accordance with the UPI Circulars. |
| UPI PIN | Password to authenticate UPI transactions. |
| Willful Defaulter | Willful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations. |
| Working Days | i. Till Application / Issue closing date:<br>All days other than a Saturday, Sunday or a public holiday;<br>Post Application / Issue closing date and till the Listing of Equity Shares:<br>All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018. |

## KEY PERFORMANCE INDICATORS TERMS

| Term | Description |
|---|---|
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortization |
| EBITDA Margin | Earnings Before Interest, Tax, Depreciation and Amortization Margin. |
| EPS | Earnings Per Share. |

| | |
|---|---|
| PAT | Profit After Tax. |
| PAT Margin | Profit After Tax Margin. |
| ROCE | Return on Capital Employed |
| RoE | Return on Equity |
| RONW | Return on Net Worth |

## TECHNICAL AND INDUSTRY RELATED TERMS

| Term | Description |
|---|---|
| AL | Aluminium |
| B2B | Business-to-Business |
| CBAM | Carbon Border Adjustment Mechanism |
| CNG | Compressed Natural Gas |
| CPI | Consumer Price Index |
| Cr | Chromium |
| Cu | Copper |
| CV | Commercial Vehicle |
| CY | Calendar Year |
| EAF | Electric Arc Furnace |
| ELV | End-of-Life Vehicle |
| EPR | Extended Producer Responsibility |
| ESG | Environmental, Social and Governance |
| EV / EVs | Electric Vehicles |
| FAME | Faster Adoption and Manufacturing of Electric Vehicles |
| Fe | Iron |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GFCF | Gross Fixed Capital Formation |
| GNDI | Gross National Disposable Income |
| GVA | Gross Value Added |
| HRM | Human Resource Management |
| HS | Harmonized System |
| INR | Indian Rupee |
| ISO | International Organization for Standardization |
| Mg | Magnesium |
| Mn | Manganese |
| MTPA | Million Tonnes Per Annum |
| Ni | Nickel |
| NG | Non-Good |
| OEMs | Original Equipment Manufacturers |
| Pb | Lead |
| PFCE | Private Final Consumption Expenditure |
| PLI | Production Linked Incentive |
| PO | Purchase Order |
| PV | Passenger Vehicle |
| SEZ | Special Economic Zone |
| Si | Silicon |
| Sn | Tin |
| Ti | Titanium |

| | |
|---|---|
| TReDS | Trade Receivables Discounting System |
| USD | United States Dollar |
| SWOT | Strengths, Weaknesses, Opportunities, and Threats |
| WEO | World Economic Outlook |
| WPI | Wholesale Price Index |
| Zn | Zinc |
| 2W | Two-Wheeler |
| 3W | Three-Wheeler |

## CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

| Term | Description |
|---|---|
| ₹ or Rs. or Rupees or INR | ₹ or Rs. or Rupees or INR |
| A/c | Account. |
| Act or Companies Act | Companies Act, 2013, as amended from time to time. |
| AGM | Annual General Meeting. |
| AIFs | Alternative investment funds as defined in and registered under the SEBI AIF Regulations. |
| AO | Assessing Officer. |
| ASBA | Application Supported by Blocked Amount. |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India. |
| AY | Assessment Year. |
| BG | Bank Guarantee. |
| CAGR | Compounded Annual Growth Rate. |
| CAN | Confirmation Allocation Note. |
| CDSL | Central Depository Services (India) Limited. |
| CIN | Corporate Identity Number. |
| CIT | Commissioner of Income Tax. |
| CRR | Cash Reserve Ratio. |
| Depositories | NSDL and CDSL. |
| Depositories Act | The Depositories Act, 1996 as amended from time to time. |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| DIN | Director's identification number. |
| DP/ Depository Participant | A Depository Participant as defined under the Depository Participant Act, 1996. |
| DP ID | Depository Participant's Identification. |
| ECS | Electronic Clearing System. |
| EGM | Extra-ordinary General Meeting. |
| Financial Year / Fiscal Year / FY | financial year shall have the same meaning as assigned to it under sub-section (41) of section 2 of the Companies Act, 2013. |
| FDI | Foreign Direct Investment. |
| FDR | Fixed Deposit Receipt |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder and as amended from time to time. |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. |
| FII | Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India. |

| Term | Description |
|---|---|
| FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended. |
| FIs | Financial Institutions. |
| FIPB | Foreign Investment Promotion Board. |
| FVCI | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time. |
| GDP | Gross Domestic Product. |
| GIR Number | General Index Registry Number. |
| Gov/ Government/GoI | Government of India. |
| HUF | Hindu Undivided Family. |
| IFRS | International Financial Reporting Standard. |
| ICSI | Institute of Company Secretaries of India. |
| ICAI | Institute of Chartered Accountants of India. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| I.T. Act | Income Tax Act, 1961, as amended from time to time. |
| ITAT | Income Tax Appellate Tribunal. |
| INR/ Rs./ Rupees / ₹ | Indian Rupees, the legal currency of the Republic of India. |
| Ltd. | Limited. |
| Pvt. Ltd. | Private Limited. |
| MCA | Ministry of Corporate Affairs. |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended. |
| MOF | Ministry of Finance, Government of India. |
| MOU | Memorandum of Understanding. |
| NA | Not Applicable. |
| NAV | Net Asset Value. |
| NEFT | National Electronic Fund Transfer. |
| NOC | No Objection Certificate. |
| NR/ Non-Residents | Non-Resident. |
| NRE Account | Non-Resident External Account. |
| NRI | Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations. |
| NRO Account | Non-Resident Ordinary Account. |
| NSDL | National Securities Depository Limited. |
| NTA | Net Tangible Assets. |
| p.a. | Per annum. |
| P/E Ratio | Price/ Earnings Ratio. |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time. |
| PIO | Person of Indian Origin. |
| PLR | Prime Lending Rate. |
| R & D | Research and Development. |
| RBI | Reserve Bank of India. |
| RBI Act | Reserve Bank of India Act, 1934, as amended from time to time. |
| RoNW | Return on Net Worth. |
| RTGS | Real Time Gross Settlement. |
| SAT | Security appellate Tribunal. |

| Term | Description |
|---|---|
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time. |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time. |
| SCSBs | Self-Certified Syndicate Banks. |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992. |
| SEBI Act | Securities and Exchange Board of India Act 1992, as amended from time to time. |
| SEBI Insider Trading Regulations | SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Mutual Regulations | Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| SEBI SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 |
| SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time. |
| SEBI Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time. |
| SEBI Rules and Regulations | SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time. |
| Sec. | Section. |
| Securities Act | The U.S. Securities Act of 1933, as amended. |
| S&P BSE SENSEX | S&P Bombay Stock Exchange Sensitive Index. |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time. |
| SME | Small and Medium Enterprises. |
| Stamp Act | The Indian Stamp Act, 1899, as amended from time to time. |
| State Government | The Government of a State of India. |
| Stock Exchanges | Unless the context requires otherwise, refers to, the BSE SME. |
| STT | Securities Transaction Tax. |
| TDS | Tax Deducted at Source. |
| TIN | Tax payer Identification Number. |
| TRS | Transaction Registration Slip. |
| UIN | Unique Identification Number. |
| U.S. GAAP | Generally accepted accounting principles in the United States of America. |
| VCFs | Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.<br><br>In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations. |

*The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.*

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references to India contained in this Draft Red Herring Prospectus are to the Republic of India. In this Draft Red Herring Prospectus, our Company has presented numerical information in lakhs units. One represents 1,00,000.

### FINANCIAL DATA

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated financial statements for the financial year ended on March 31, 2026, March 31, 2025 and March 31, 2024 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in the Draft Red Herring Prospectus, and set out in the chapter titled ***"Restated Financial Statements"*** beginning on page no. 207 of the Draft Red Herring Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Years are to the twelve-month period ended March 31 of that year. In the Draft Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the chapter titled ***"Risk Factors", "Business Overview"*** and ***"Management Discussion and Analysis of Financial Position and results of Operations"*** beginning on page no. 16, 147 and 251 respectively of this Draft Red Herring Prospectus and elsewhere in the Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the 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.

### CURRENCY AND UNITS OF PRESENTATION

**In the Draft Red Herring Prospectus, unless the context otherwise requires, all references to:**

- 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US$' or 'USD' or '$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency.
- All references to the word 'Lakh', means 'One hundred thousand' and the word 'Million' means 'Ten Lakh' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

## FORWARD LOOKING STATEMENTS

All statements contained in the Draft Red Herring Prospectus that are not statements of historical facts constitute "forward looking statements". All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent;
- Our business and financial performance is particularly based on market demand and supply of our products/services;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the chapter titled ***"Risk Factors"***, ***"Business Overview"*** and ***"Management Discussion and Analysis of Financial Position and Results of operations"*** beginning on page no. 16, 147 and 251 respectively of this Draft Red Herring Prospectus. 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.

Forward looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are basedon currently available information. Although our Company believes 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. None of our Company, the Directors, the BRLM, or 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II- RISK FACTORS

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the **"Restated Financial Statements"** and the related notes, **"Business Overview"** and **"Management's Discussion and Analysis of Financial Position and Results of Operations"** beginning on page 207, 147 and 251 respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors, the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.*

***Materiality***

*The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.*

1. *Some events may not be material individually but may be found material collectively.*
2. *Some events may have material impact qualitatively instead of quantitatively.*
3. *Some events may not be material at present but may be having material impact in future.*

***Note:***

*The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in **"Risk Factors"** beginning on page 16 and **"Management's Discussion and Analysis of Financial Position and Results of Operations"** beginning on page 251 of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the **"Restated Financial Statements"**.*

### INTERNAL RISK FACTORS

1. ***The company relies on a limited number of customers for its sales, and the loss of any major customer could adversely impact our revenue and profitability.***

We depend on certain customers who have contributed a substantial portion of our total revenues. The details of the revenue accounted for cumulatively by our top 1, 5 and 10 customers for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, is provided hereunder:

*(₹ in Lakhs)*

| Revenue from Operations** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % of total revenue from operations | Amount | % of total revenue from operations | Amount | % of total revenue from operations |
| Top One (1) Customer | 6,320.41 | 24.62 | 4,726.16 | 32.77 | 605.86 | 11.50 |
| Top Five (5) Customers | 19,255.24 | 75.02 | 11,247.41 | 77.99 | 2,001.28 | 37.98 |
| Top Ten (10) Customers | 22,794.13 | 88.81 | 12,711.93 | 88.15 | 3,020.72 | 57.33 |

** Rounded Off*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

Till date we have good relation with our customers. We cannot guarantee that we will continue to generate the same volume of business, or any business, from them, and the loss of one or more key customers could adversely affect our revenue and operational results.

That said, the composition of our customer base and the revenue derived from them may evolve as we add new customers as part of our normal business activities. While we are confident in our ability to maintain strong relationships with existing customers and approach new ones, we cannot assure that these relationships will endure long-term or that new customers will be secured promptly.

2. ***The company relies on a limited number of suppliers for product procurement, and the loss of any key supplier could impact our business operations.***

The details of the purchases accounted for cumulatively by our top 1, 5 and 10 suppliers for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, is provided hereunder:

*(₹ in Lakhs)*

| Purchase from Suppliers** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % | Amount | % | Amount | % |
| Top One (1) Supplier | 6,033.60 | 24.36 | 2,681.72 | 19.38 | 1,531.63 | 30.75 |
| Top Five (5) Suppliers | 12,213.77 | 49.32 | 8,855.83 | 63.99 | 3,662.92 | 73.54 |
| Top Ten (10) Suppliers | 17,446.43 | 70.45 | 10,686.36 | 77.22 | 4,181.53 | 83.94 |

** Rounded Off*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

Till date we have good relation with our Suppliers. We cannot guarantee that we will continue to receive the same volume and quality of supplies, or any supplies at all, from these suppliers. The loss of one or more key suppliers could adversely impact our stock procurement, revenue, and operational results.

However, the composition and volume of purchases from these suppliers may change as we actively seek new suppliers to improve quality and pricing in the normal course of business. While we are confident in our ability to maintain strong relationships with existing suppliers and identify new ones, we cannot assure that these relationships will endure long-term or that new suppliers will be secured in a timely manner.

3. ***There are outstanding legal proceedings against our Company and certain of our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.***

There are certain legal proceedings involving our Company and certain of our Directors are pending at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments and which may increase expenses and current or contingent liabilities.

A summary of outstanding litigation proceeding involving our Company, Promoters, and Directors, as disclosed in

"***Outstanding Litigation and Material Developments***" on page 266 in terms of the SEBI ICDR Regulations as at the date of this Draft Red Herring Prospectus is provided below:

| Name of Entity | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigations | Aggregate amount involved (Rs in Lakhs) |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| By the Company | 3 | - | - | - | - | 95.75 |
| Against the Company | - | 2 | - | - | - | 932.34 |
| **Directors (*other than our Promoters*)** | | | | | | |
| By our Directors | - | - | - | - | - | - |
| Against the Directors | - | 1 | - | - | - | 0.42 |
| **Promoters*** | | | | | | |
| By Promoters | - | - | - | - | - | - |
| Against Promoters | - | - | - | - | - | - |

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no additional liability will arise out of these proceedings. We are in the process of litigating these matters. Further, such proceedings could divert management time and attention and consume financial resources in their defence. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products, our technology, our branding or our policies or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with us. There can be no assurance that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

***4. Our Company has reported certain negative cash flows from its operating activity, investing activity and financing activity, details of which are given below. Sustained negative cash flows could impact our growth and business.***

Our Company had reported certain negative cash flows from its investing activity and financing activity in the previous years as per the restated financial statements and the same are summarized as under:

***(₹ in Lakhs)***

| Sr No. | Particulars | For the financial year ended | | |
|---|---|---|---|---|
| | | March 31, 2026 | March 31, 2025 | March 31, 2024 |
| 1 | Net cash flow from / (used in) operating activities | (1,480.08) | (608.83) | (961.75) |
| 2 | Net cash flow from / (used in) investing activities | (148.49) | (95.72) | (15.82) |
| 3 | Net cash flow from / (used in) financing activities | 1,680.90 | 691.50 | 1,060.30 |

Our net cash outflow from operating activities was ₹ 1,480.08 Lakhs for the financial year ended on March 31, 2026 was mainly due to increase in Inventories by ₹ 1,763.46 Lakhs, increase in Trade Receivable by ₹ 1,520.24 Lakhs, decrease in Short Term Loans & Advances by ₹ 78.70 Lakhs, increase in Long Term Loans & Advances by ₹ 0.96 Lakhs, increase in Other Current Assets by ₹ 1.25 Lakhs, increase in Trade Payables by ₹ 557.39 Lakhs, decrease in Other Current Liabilities by ₹ 321.49 Lakhs and increase in Provisions by ₹ 129.09 Lakhs. Our net cash outflow from operating activities was ₹ 608.83 Lakhs for the financial year ended on March 31, 2025 was mainly due to increase in Inventories by ₹ 940.71 Lakhs, increase in Trade Receivable by ₹ 932.28 Lakhs, increase in Short Term Loans & Advances by ₹ 250.16 Lakhs, increase in Long Term Loans & Advances by ₹ 7.50 Lakhs, decrease in Other Current Assets by ₹ 10.58 Lakhs, increase in Trade Payables by ₹ 202.43 Lakhs, increase in Other Current Liabilities by ₹ 405.60 Lakhs and increase in Provisions by ₹ 122.43 Lakhs. Our net cash outflow from operating activities was ₹ 961.75 Lakhs for the financial year ended on March 31, 2024 was mainly due to increase in Inventories by ₹ 300.67 Lakhs, increase in Trade Receivable by ₹ 437.01 Lakhs, increase in Short Term Loans & Advances by ₹ 142.12 Lakhs, increase in Long Term Loans & Advances by ₹ 12.04 Lakhs, increase in Other Current Assets by ₹ 7.80 Lakhs, decrease in Trade Payables by ₹ 194.21 Lakhs, decrease in Other Current Liabilities by ₹ 8.69 Lakhs and increase in Provisions by ₹ 4.09 Lakhs.

Our net cash outflow from Investing activities were ₹ 148.49 Lakhs for the financial year ended on March 31, 2026 was mainly due to addition of property, plant and equipment of ₹ 234.00 Lakhs, Interest income of ₹ 5.52 Lakhs and Rental income of ₹ 80.00 Lakhs. Our net cash outflow from Investing activities were ₹ 95.72 Lakhs for the financial year ended on March 31, 2025 was mainly due to addition of property, plant and equipment of ₹ 170.08 Lakhs, Interest income of ₹ 8.36 Lakhs and Rental income of ₹ 66.00 Lakhs. Our net cash outflow from Investing activities were ₹ 15.82 Lakhs for the financial year ended on March 31, 2024 was mainly due to addition of property, plant and equipment of ₹ 34.36 Lakhs, Interest income of ₹ 6.54 Lakhs and Rental income of ₹ 12.00 Lakhs.

We cannot assure you that we may be in a position to have positive cashflows in the future. Our future cashflows would be adversely impacted if we are required to make any investment in capital expenditure and/or repay our current borrowings in the future.

5. ***We depend on a limited number of States for a significant portion of our revenue from operations. The loss of any of our major customer in these States due to any adverse development or significant reduction in business from our major customer may adversely affect our business, financial condition, results of operations and future prospects.***

We derive our revenue from domestic regions. However, we derive a large portion of our revenue from the state of Haryana, Rajasthan, Uttar Pradesh, Delhi, Uttrakhand, Gujarat, Tamil Nadu, Karnataka, Punjab, Himachal Pradesh and Madhya Pradesh. The state wise bifurcation of revenue from operation for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024 is as under:

***State Wise Revenue Break Up:***

***(₹ in Lakhs)***

| Sr. No. | Name of State** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | | Amount | % of total revenue from operations | Amount | % of total revenue from operations | Amount | % of total revenue from operations |
| 1 | Haryana | 18,160.84 | 70.76% | 9,860.78 | 68.37% | 3,171.04 | 60.19% |
| 2 | Rajasthan | 6,379.79 | 24.86% | 2,871.73 | 19.91% | 46.65 | 0.89% |
| 3 | Uttar Pradesh | 332.03 | 1.29% | 996.10 | 6.91% | 1,160.65 | 22.03% |
| 4 | Delhi | 261.39 | 1.02% | 44.75 | 0.31% | 261.98 | 4.97% |
| 5 | Uttarakhand | 87.45 | 0.34% | 407.73 | 2.83% | 357.37 | 6.78% |
| 6 | Gujarat | 0.32 | 0.00% | 53.14 | 0.37% | 63.27 | 1.20% |
| 7 | Tamil Nadu | 61.03 | 0.24% | - | - | - | - |
| 8 | Karnataka | 383.34 | 1.49% | - | - | - | - |
| 9 | Punjab | - | - | 142.15 | 0.99% | 184.28 | 3.50% |
| 10 | Himachal Pradesh | 0.99 | 0.00% | 45.16 | 0.31% | - | - |
| 11 | Madhya Pradesh | - | - | - | - | 23.44 | 0.44% |
| | **Total** | **25,667.19** | **100.00%** | **14,421.53** | **100.00%** | **5,268.67** | **100.00%** |

**Rounding Off.*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

If the economic conditions of these states become volatile or uncertain or the conditions in the financial market deteriorate, or if there are any changes in laws applicable to our industry or if any restrictive conditions are imposed on us or our business, there will be a severe impact on the financial condition of our business. Further, the ultimate customers located in this geography may reduce or postpone their spending significantly which would adversely affect our operations and financial conditions.

6. ***Our trademark applications for "ARS" and "ARS Green" are currently under the status "Objected" and "Ready for Examination", respectively, and we may not be able to obtain registration of these trademarks, which may adversely affect our ability to protect our brands and business.***

Our Company operates its business under the brand names "ARS" and "ARS Green". Our Company has filed applications with the Trademarks Registry for registration of the trademarks "ARS" and "ARS Green" under Class 6. However, as on

the date of this Draft Red Herring Prospectus, the aforesaid trademarks have not yet been registered in the name of our Company, and the application for "ARS" is under the status "Objected", while the application for "ARS Green" is under the status "Ready for Examination" before the Trademarks Registry. Accordingly, we may not be able to avail of the statutory protection available to the proprietor of a registered trademark in respect of the "ARS" and "ARS Green" trademarks. Details of our intellectual property filings are set forth below:

| S. No. | Logo | Trademark Application Number | Class | Date of Application | Status |
|---|---|---|---|---|---|
| **1.** |  | 7281496 | 6 | October 9, 2025 | Objected |
| **2.** | ARS Green | 7933884 | 6 | August 17, 2026 | Ready for Examination |

Critically, the trademark applications for "ARS" and "ARS Green" under Class 6 have not yet been registered in the name of our Company. The application for "ARS" is currently under the status "Objected", while the application for "ARS Green" is under the status "Ready for Examination" before the Trademarks Registry. Until such trademarks are registered in the name of our Company, our ability to avail of the statutory protection available to the proprietor of a registered trademark may be limited, thereby exposing us to the risk of unauthorised use, imitation or adoption of our brands by third parties.

Any unauthorised use, imitation or adoption of the "ARS" or "ARS Green" brands by third parties may adversely affect our brand recognition, reputation, goodwill and competitive position and may require us to incur additional costs and devote management time towards protecting and enforcing our rights in such brands. Further, any adverse outcome or prolonged delay in the registration of these trademarks may adversely affect our ability to protect our brands and could have a material adverse effect on our business, financial condition, results of operations and prospects.

For details of our intellectual property, including the status of our trademark application, see the chapter titled "***Government and Other Key Approvals***" beginning on page 273 of this Draft Red Herring Prospectus.

7. ***Our Registered Office from where we operate is not owned by us but taken on rent basis. Our inability to renew the rent agreement or any adverse impact on the title or ownership rights of our owner/landlord in relation to these premises may impede our operations.***

Our Registered Office as disclosed under the chapter titled as ***"Business Overview"*** on page no. 147, from where we operate is on the premises that has been taken on rent basis. Upon expiration of the agreement, we will be required to negotiate the terms and conditions. Our rent agreement is renewable on mutually acceptable terms and upon payment of such rent escalations as stated in the lease agreement. Any delay or non-payment of rent may result in vacation of the property. In the event that we are required to vacate our current premises, we would be required to make alternate arrangements for our infrastructure and there can be no assurance that the new arrangements will be on commercially acceptable terms. Further, relocation of any part of our operations may cause disruptions to our business and may require significant expenditure. If we are required to relocate our business operations, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

8. ***Our Company is yet to place orders for the Plant & Machinery for the setup of new manufacturing facility. Any delay in placing orders or procurement of such machinery may delay the schedule of implementation and possibly increase the cost of commencing operations.***

Our Company has received third party quotations for the machinery proposed to be installed for the expansion of existing manufacturing unit. Although, we have identified the type of machinery proposed to be purchased from the net proceeds, we are yet to place orders for the proposed machinery. The cost of the proposed purchase of machinery is based on the quotations received from third party vendors and contractors and such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. For details, please refer to the chapter titled ***"Objects of the Issue"*** beginning on page 76 of this Draft Red Herring Prospectus. We cannot assure that we will be able to procure the machinery in a timely manner and at the same price at which the quotations have been received. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the Machinery or in the event the vendors are not able to provide the machinery in a timely manner, or at all, we may encounter time and cost overruns in expanding the capacity of the Manufacturing unit. Further, if we are unable to procure machinery from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the

machinery which satisfy our requirements at acceptable prices. Our inability to procure the machinery at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

***9. Our Manufacturing facility relies on specialized machinery and any significant breakdown or delay in maintenance could disrupt our production***

Our manufacturing operations are highly dependent on the continuous and efficient functioning of specialized machinery and equipment used in the production of aluminium ingots. The efficient operation of these machines is critical to maintaining product quality, ensuring timely fulfilment of orders, and achieving cost efficiencies. Any significant breakdown, malfunction, or technical failure of this machinery, whether due to wear and tear, inadequate maintenance, power supply interruptions, or other unforeseen causes, could result in production stoppages or reduced output. In addition, delays in obtaining spare parts, engaging qualified technicians, or completing necessary repairs could further prolong such disruptions. A prolonged and unexpected interruption may not only lead to financial losses due to unutilized capacity but may also result in supply shortages, delayed deliveries, and potential loss of customer trust. While we undertake regular maintenance and quality checks to minimize such risks, there can be no assurance that unexpected equipment failures will not occur. Furthermore, as technology evolves, our existing machinery may become obsolete, requiring substantial capital expenditure for replacement or upgrades.

Accordingly, any significant breakdown or delay in the maintenance of our specialized machinery could have a material adverse effect on our production capabilities, business operations, financial condition, and results of operations.

***10. Our business operations are subject to fluctuations in raw material prices.***

Our operations are significantly dependent on the availability and cost of raw materials such as aluminium scrap, aluminium bike rim scrap, aluminium car rim scrap, aluminium brake shoe scrap, aluminium purja scrap and alloying elements. The prices of these raw materials are subject to volatility due to factors beyond our control, including global commodity price trends, changes in supply-demand dynamics, climatic conditions, government policies, trade restrictions, and currency exchange rate fluctuations. Our company relies on third-party suppliers for sourcing the raw materials necessary for manufacturing our products. We are exposed to price fluctuations and potential unavailability of these raw materials, particularly as we generally do not enter into long-term supply agreements with our suppliers. A significant portion of our requirements is met through the spot market, leaving us unable to control the factors influencing the cost of raw materials. Additionally, we face challenges in offsetting or passing on such cost increases to our customers. Rising prices of raw materials may impact our margins and profitability, adversely affecting our business, financial condition, and operational results.

Although we benefit from favourable terms with suppliers in both pricing and availability, any inability to secure high-quality raw materials in a timely and cost-effective manner could disrupt our production or trade cycles and delay delivery schedules, potentially leading to customer losses and reduced revenues.

***11. Our manufacturing operations are energy intensive and increases in power and fuel costs may adversely affect our profitability.***

Our manufacturing operations involve energy intensive processes including melting, holding, alloying, refining and casting of aluminium scrap and other raw materials into aluminium ingots. The operation of furnaces, pollution control equipment, material handling systems, compressors, laboratory equipment and other plant and machinery requires substantial consumption of electricity and fuels such as furnace oil, LPG, natural gas, diesel or other energy sources. Consequently, power and fuel expenses constitute a significant portion of our operating costs. Any increase in electricity tariffs, fuel prices, transmission charges, open access charges, taxes, duties or other energy-related levies may adversely affect our cost structure and operating margins. Prices of fuels and energy sources are subject to volatility due to factors beyond our control, including changes in domestic and international crude oil prices, supply-demand imbalances, geopolitical tensions, inflationary pressures, government regulations and revisions in energy policies.

Further, our manufacturing operations are dependent on uninterrupted availability of power and fuel. Any disruption, shortage or irregular supply of electricity, natural gas, furnace oil or other fuels due to grid failures, restrictions imposed by utility providers, transportation disruptions, equipment failures, natural calamities or other unforeseen events may lead to interruption in production activities, under-utilization of manufacturing capacity, delay in execution of customer orders and increase in operational costs. In certain situations, we may also be required to use alternate energy sources or captive power arrangements, which may involve significantly higher costs.

Further, increasing environmental regulations and sustainability related compliance requirements may necessitate additional investments in energy efficient technologies, emission control systems, renewable energy integration and

environmental management infrastructure. Such capital expenditure and compliance costs may increase our overall operating expenses.

Any sustained increase in energy costs, disruption in power or fuel supply, or inability to efficiently manage energy consumption may adversely affect our business operations, cash flows, financial condition and results of operations.

***12. Our operations involve melting of aluminium scrap in the furnaces which can be extremely dangerous and any accident, could cause serious injury to people or property which may adversely affect our production schedules, costs, sales and ability to meet customer demand.***

Our operations require individuals to work under potentially dangerous circumstances, with flammable materials as a significant portion of our business involves melting of aluminium in the hot refining section. Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, inclement weather and natural disasters discharges or releases of hazardous substances, chemicals or gases and other environmental risks.

Although we employ safety procedures during the melting of aluminium in the furnaces and maintain what we believe to be adequate insurance, there is a risk that any hazard may result in personal injury to our employees or other persons, destruction of property or equipment, environmental damage, etc. may lead to suspension of our operations and/or imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, cash flows, financial condition and reputation. We could also face claims and litigation in India, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation could be significant. These claims and lawsuits, individually or in the aggregate, may be resolved against us inflicting negative publicity and consequently, our business, cash flows, results of operations and financial condition could be adversely affected.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, fire, explosion or other connected reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, reputation, financial condition, results of operations, cash flows and prospects.

***13. Our business is significantly dependent on demand from the automotive industries, and any downturn in these industries may adversely affect our business and profitability.***

A significant portion of the demand for our aluminium ingots is derived from customers operating in the automotive industries. Our products are primarily used in the manufacturing of engine parts, transmission housings, wheels, structural parts and other automotive applications. Accordingly, our business performance is significantly influenced by the growth, production levels and overall performance of the automotive sector.

The automotive industry is cyclical in nature and is sensitive to various factors beyond our control, including economic conditions, consumer spending patterns, fuel prices, interest rates, inflation, government regulations, emission norms, taxation policies and availability of financing. Any slowdown in the automotive sector, reduction in vehicle production, decline in demand for automobiles or adverse changes in industry trends may reduce demand for our products and adversely affect our business, results of operations and financial condition.

Further, the automotive industry is undergoing significant technological and structural changes, including transition towards electric vehicles ("EVs"), lightweight materials, alternative manufacturing technologies and evolving component specifications. Changes in customer preferences, vehicle design standards or technological advancements may alter the demand pattern for specific grades of aluminium ingots manufactured by us. If we are unable to adapt our product portfolio, manufacturing processes or technical capabilities to meet evolving industry requirements, our competitiveness and customer relationships may be adversely affected.

Additionally, the automotive industry is highly competitive and subject to stringent quality, delivery and pricing requirements. Automotive manufacturers and component suppliers continuously seek cost reductions from their vendors. Any inability on our part to meet quality specifications, maintain timely delivery schedules or remain cost competitive may result in reduction or loss of business from automotive customers. Any prolonged slowdown or adverse development in the automotive industry may materially and adversely affect our business operations, cash flows, financial condition and results of operations.

***14. Our inability to maintain product quality standards may adversely affect our business and customer relationships.***

Our business is dependent on our ability to consistently manufacture aluminium ingots that conform to customer-specific technical specifications, metallurgical compositions and quality standards. Our products are used in critical applications across industries such as automotive, die-casting, electrical, engineering and industrial manufacturing, where customers require stringent adherence to prescribed standards relating to chemical composition, tensile strength, density, hardness, impurity levels and overall product consistency.

The manufacturing of aluminium ingots involves multiple processes including raw material segregation, batch preparation, melting, alloying, refining, degassing, dross removal, casting and quality testing. Any deficiencies, contamination, process deviations, equipment malfunction, improper furnace temperature control, inconsistency in raw material quality or human error during the manufacturing process may result in production of defective products. In particular, the use of aluminium scrap and recycled materials may expose us to additional risks relating to contamination and inconsistency in input material quality. If our product fails to meet customer specifications or industry standards, we may face rejection of product, return of goods, cancellation or reduction of orders, customer complaints, financial penalties, warranty claims and loss of repeat business. Any failure to maintain quality standards may also adversely affect our reputation and credibility in the market, which could impair our ability to attract new customers and maintain long-term customer relationships.

Further, certain customers conduct periodic vendor evaluations, product audits and quality assessments. Any adverse findings during such inspections or failure to comply with applicable quality management systems and technical requirements may result in suspension or removal from approved vendor lists.

Any significant deterioration in product quality, inability to maintain consistency in manufacturing standards, or failure to satisfy customer specifications may materially and adversely affect our business operations, customer relationships, reputation, financial condition and results of operations.

***15. Certain individuals forming part of our Promoter Group have not provided the requisite information, consents and confirmations, pursuant to which our application seeking exemption from such disclosure requirements has been rejected by SEBI, which may result in perceived disclosure gaps.***

Our Company had, vide application dated March 27, 2026, approached the Securities and Exchange Board of India ("SEBI") seeking exemption under Regulation 300(1)(c) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), from disclosing basic information, consents, confirmations and other details in respect of three individuals forming part of the Promoter Group, namely (i) Anil Kapoor, brother-in-law of Sanjeev Malhotra, a Promoter of our Company, (ii) Rakesh Kapoor, brother-in-law of Sanjeev Malhotra, a Promoter of our Company and (iii) Anita Khanna, sister-in-law of Sanjeev Malhotra, a Promoter of our Company. These individuals are deemed to form part of the "Promoter Group" pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. However, Sanjeev Malhotra does not maintained any relation or contact with the aforementioned individuals, directly or indirectly."

SEBI, vide its letter dated June 11, 2026, rejected our application seeking such exemption and, inter alia, directed our Company to:

- Classify and disclose the Related Persons and connected entities as part of the Promoter Group of the Company in the offer documents in terms of Regulation 2(1) (pp) of SEBI ICDR Regulations and inform them about such inclusion as Promoter group entity;
- Disclose inability to obtain information about Related Persons and connected entities in the offer documents;
- All applicable disclosures based on information available in public domain in the offer documents;
- Disclose appropriate Risk Factors in the offer documents;
- Disclose details of breakdown of relationship as stated in the sworn affidavit filed with SEBI along with the fact that an affidavit to that effect has been filed with SEBI.

In compliance with the directions of SEBI, we have disclosed the aforesaid Related Persons and connected entities as members of the Promoter Group in the Draft Red Herring Prospectus ("DRHP"). Despite repeated efforts made by our Company to approach and obtain the requisite information, consents and confirmations from such individuals, we have been unable to obtain the same. Accordingly, the disclosures relating to such Promoter Group individuals in the DRHP have been made based on the information available in the public domain.

The absence of requisite information, consents and confirmations from such Promoter Group individuals may result in perceived gaps or limitations in the disclosures relating to our Promoter Group. Such circumstances may adversely affect investor confidence, our reputation and the marketability of the Issue. For further details, please refer to the chapter titled **"Promoters and Promoter Group"** beginning on page 201.

***16. We are exposed to foreign currency fluctuation risks, in relation to import of material, which may affect our result of operations, financial condition and cash flows.***

Our financial statements are prepared in Indian Rupees and our business involves transactions with foreign companies which is paid in other foreign currencies. A portion of our raw material expenditures are denominated in foreign currencies. Accordingly, we have currency exposures relating to buying in currencies other than in Indian Rupees. A depreciation of Rupee against these foreign currencies would mean that our import of raw materials would become expensive and will impact our profitability. During the financial year ended March 31, 2026, March 31, 2025, and March 31, 2024, the cost of raw material imported amounted to ₹ 977.36 Lakhs, ₹ 1,709.15 Lakhs and ₹ 1,848.07 Lakhs respectively, which constituted 3.95%, 12.35% and 37.10% respectively, of our total raw material purchased. We have earned gains/(losses) due to these fluctuations in foreign currency in the financial year ended March 31, 2026, March 31, 2025 and March 31, 2024 of ₹ (50.00) Lakhs, ₹ 24.26 Lakhs and ₹ (12.93) Lakhs respectively. The exchange rate between Rupee and the foreign currencies has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. We bear the complete risk of currency exchange rate fluctuations. There can be no assurance that we will be able to avoid the effect of any adverse fluctuations in the value of Indian Rupee against other foreign currencies.

***17. We have working capital requirements. If we experience insufficient cash flows to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations.***

The business of our Company is working capital intensive. The successful operation of our business relies on significant working capital, which is essential for various aspects, including financing project operations, inventory management, and the purchase of raw materials and may continue to do so in future also. However, changes in credit terms and payment delays can adversely impact our working capital, resulting in lower cash flows and increased funding requirements. Inadequate financing of our working capital needs may arise due to several factors, such as delays in disbursements under financing arrangements, higher interest rates, increased insurance costs, or borrowing and lending restrictions. Such circumstances could have a material adverse effect on our overall business, financial condition, and prospects.

The performance of our business operations is contingent upon our capacity to proficiently handle our inventories and trade receivables. Our ability to appropriately assess our clients' creditworthiness and make sure they receive appropriate terms and conditions to maintain our business connection with them is essential to managing our trade receivables successfully. But if our management doesn't fairly assess the terms and conditions we have with our clients, it could result in bad debt write-offs and/or delays in recoveries, which could cause a liquidity constraint and negatively impact our operations and business. A shortage of liquidity could also lead to greater borrowing costs for working capital and, as a result, higher financing costs, both of which would affect our profitability. Our inability to maintain sufficient cash flow, credit facilities, and other funding sources in a timely manner, or to satisfy working capital requirements and settle debts, may have a negative impact on our financial situation and operational outcomes. We could not be able to sustain current sales level, which would have a negative impact on our financial health, if we are unable to collect our debt from our trade receivables or sell our inventory.

For further details of working capital requirements, please refer to the chapter titled ***"Object of the Issue"*** beginning on page 76 of the Draft Red Herring Prospectus.

***18. There are certain discrepancies/errors noticed in some of our corporate records and certain delays in forms filed with the Registrar of Companies under the provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of relevant act could impact the financial position of the Company to that extent.***

Our Company has experienced certain instances of discrepancies in relation to secretarial and regulatory filings under the provisions of the Companies Act, 2013, which may expose us to regulatory actions, penalties and reputational risks. In past there have also been instances of delays in filing forms/returns with Registrar of Companies, which were subsequently filed upon payment of additional fees.

**Details of delays in filing forms/returns with Registrar of Companies:**

| Sr. No. | Form | Event | Date of BM / AGM/EGM | Due Date of Filing | Date of Filing |
|---|---|---|---|---|---|
| 1. | AOC-4 | Filling of Balance Sheet and Profit and loss of the company for F.Y 2021-2022 | 30/09/2022 | 29/10/2022 | 16/11/2022 |
| 2. | MGT-7 | Filling of Annual Return for the F.Y. | 30/09/2022 | 28/11/2022 | 30/11/2022 |

| | | | | | |
|---|---|---|---|---|---|
| | | 2021-2022 | | | |
| 3. | AOC-4 | Filling of Balance Sheet and Profit and loss of the company for F.Y 2022-2023 | 30/09/2023 | 29/10/2023 | 11/12/2023 |
| 4. | MGT-7 | Filling of Annual Return for the F.Y. 2022-2023 | 30/09/2023 | 28/11/2023 | 09/12/2023 |
| 5. | AOC-4 | Filling of Balance Sheet and Profit and loss of the company for F.Y 2023-2024 | 30/09/2024 | 29/10/2024 | 08/01/2025 |
| 6. | MGT-7 | Filling of Annual Return for the F.Y. 2023-2024 | 30/09/2024 | 28/11/2024 | 24/02/2025 |
| 7. | ADT-1 | Appointment of Auditor from 24/12/2020 to 31/03/2025 | 30/12/2021 | 13/01/2022 | 08/11/2025 |
| 8. | ADT-1 | Appointment of Auditor from 01/04/2025 to 31/03/2030 | 12/09/2025 | 26/09/2025 | 18/04/2026 |
| 9. | CHG-1 | Creation/Modification of Charge | 21/02/2024 | 21/03/2024 | 04/04/2024 |
| 10. | CHG-1 | Creation/Modification of Charge | 21/10/2024 | 19/11/2024 | 21/11/2024 |
| 11. | CHG-4 | Satisfaction of Charge | 23/04/2024 | 22/05/2024 | 29/05/2024 |
| 12. | CHG-4 | Satisfaction of Charge | 18/03/2026 | 17/04/2026 | 27/05/2026 |
| 13. | DPT-3 | Filling of Return of deposits for March 2021 | 31/03/2021 | 30/06/2026 as MCA has extended due date till 31/08/2021 | 30/08/2021 |
| 14. | DPT-3 | Filling of Return of deposits for March 2023 | 31/03/2024 | 30/06/2026 as MCA has extended due date till 31/07/2023 | 09/09/2023 |
| 15. | DPT-3 | Filling of Return of deposits for March 2024 | 31/03/2021 | 30/06/2024 | 27/05/2026 |
| 16. | PAS-3 | Return of Allotment | 20/06/2022 | 19/07/2022 | 24/08/2022 |
| 17. | PAS-3 | Return of Allotment | 19/07/2022 | 17/08/2021 | 03/06/2022 |
| 18. | PAS-3 | Return of Allotment | 13/05/2022 | 11/06/2022 | 24/08/2022 |
| 19. | PAS-3 | Return of Allotment | 15/09/2022 | 14/10/2022 | 27/07/2023 |
| 20. | PAS-3 | Return of Allotment | 30/04/2023 | 29/05/2023 | 23/07/2023 |
| 21. | MSME-I | Form for furnishing half yearly return with the registrar in respect of outstanding payments to Micro or Small Enterprises | 31/03/2024 | 30/04/2024 | 12/06/2024 |
| 22. | INC-27 | Application for Conversion of Private to Public Limited Company | 12/05/2026 | 10/06/2026 | 15/06/2026 |

**Details of discrepancies in relation to secretarial and regulatory filings:**

| | |
|---|---|
| 1. | The company has inadvertently attached the incorrect list of shareholders in the Annual Return Form MGT-7 for financial year 2021-22 |
| 2. | In respect of the Financial Statements for FY 2021-22, it is observed that the Company has incorrectly disclosed "*Issued, Subscribed & fully Paid-up Shares*" in the Notes to Share Capital forming part of Audit Report. The aforesaid clerical error also persists in the Annual Return Form MGT-7 submitted for financial year 2021-22 |

| | |
|---|---|
| 3. | In respect of the Financial Statements for FY 2022-23, it is observed that the Company has incorrectly disclosed "*the number of shares issued during the financial year*" and "*Issued, Subscribed & fully Paid-up Shares*" in the Notes to Share Capital forming part of Audit Report. The aforesaid clerical error also persists in the Annual Return Form MGT-7 submitted for financial year 2022-23 |
| 4. | In respect of the Financial Statements for FY 2023-24, it is observed that the Company has incorrectly disclosed "*the number of shares issued during the financial year*" in the Notes to Share Capital forming part of Audit Report. |
| 5. | Based on the review of statutory records, annual filings, and financial statements made available to us, certain clerical inconsistencies, disclosure gaps, and differences were identified in historical filings of the Company. The observations are summarised below:<br>**1. Form PAS-3 for the allotment of equity shares on January 30, 2021**<br>The Offer letter enclosed in the form have following clerical errors:<br>➢ The ratio under which right shares are allotted is incorrectly mentioned as 32:1 instead of 320:1.<br>➢ The number of shares issued proposed to be issued is incorrectly mentioned as 3,20,000 instead of 32,00,000.<br>➢ The applicable ROC is mentioned as Mumbai instead of Delhi -II.<br><br>**2. Form ADT-1 – From 30.12.2021 to 31.03.2025**<br>In Form ADT-1 filed on November 8, 2025 for the appointment of M/s. Ashok Kumar Jha & Co, as Statutory Auditors from 30.12.2021 to 31.03.2025, the Company inadvertently selected Category of Auditor as "Individual" and mentioned name as "Ashok Kumar Jha" instead of "Ashok Kumar Jha & Co".<br><br>**3. Form ADT-1 – From 01.04.2025 to 31.03.2030**<br>In Form ADT-1 filed on April 17, 2026 for the appointment of M/s. Ashok Kumar Jha & Co, as Statutory Auditors from 01.04.2025 to 31.03.2030, the Company inadvertently selected Category of Auditor as "Individual" and mentioned name as "Ashok Kumar Jha" instead of "Ashok Kumar Jha & Co".<br><br>**4. Form ADT-3**<br>In Form ADT-3 filed on April 20, 2026 for the resignation of M/s Ashok Kumar Jha & Co, as Statutory Auditors with effect from March 25, 2026, the Company inadvertently selected Category of Auditor as "Individual" and mentioned name as "Ashok Kumar Jha" instead of "Ashok Kumar Jha & Co". |

The statutory authorities have not imposed any penalties on our Company in relation to the delayed filing of statutory forms, other than the additional fees payable for such delayed filings, and there are no legal proceedings or regulatory actions initiated against our Company in relation to such delayed filings with the Registrar of Companies ("RoC") as on the date of this Draft Red Herring Prospectus. Further, in respect of the discrepancies identified in the forms/returns filed with the RoC, our Company has filed Form GNL-2 vide SRN AC6330997 with the RoC for intimating the RoC of such discrepancies along with correct attachments wherever applicable. There are no legal proceedings or regulatory actions initiated against our Company in relation to such discrepancies as on the date of this Draft Red Herring Prospectus. Also, there are no other non-compliances/delayed compliances of the Company which require adjudication/compounding/regularization.

Furthermore, our Company has failed to file Form FC-GPR in respect of certain allotments made on January 30, 2021, May 13, 2022, June 20, 2022, July 30, 2022, September 15, 2022, November 3, 2022, April 30, 2023 and June 7, 2023 within the applicable timelines prescribed under the applicable regulations. In respect of the allotment made on July 19, 2021, our Company had filed Form FC-GPR, however, the same was rejected as our Company did not have an active relationship with the Authorised Dealer ("AD") Bank as on the date of filing of Form FC-GPR. Further, our Company has applied for registration with its current AD Bank to file the pending FC-GPR forms. Upon obtaining such registration and completing the necessary formalities, our Company will be able to file the requisite Form FC-GPR in respect of the aforesaid allotments along with the applicable late submission fees, as may be required under the applicable regulations. However, there can be no assurance that the current AD Bank will grant the registration for filing of Form FC-GPR or will approve the FC-GPR forms to be filed by the company.

While we remain committed to full compliance with applicable laws and regulations, and take all reasonable steps to ensure the same, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by concerned regulatory authorities in this respect. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

Further, to ensure that the above delayed filings and discrepancies in filings will not occur in future, we have taken the

following steps i.e. appointed a whole-time Company Secretary to oversee and ensure accurate and timely filings and compliance and implement a Maker-Checker policy to ensure the accuracy and correctness of all submissions.

***19. There have been instances of delayed filings in the past with certain regulatory authorities with respect to filings related to GST returns and TDS Returns. If the regulatory authorities impose any monitory penalties on us or take any punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.***

There have been instances of delayed filings in the past with certain regulatory authorities with respect to filings related to GST returns and TDS returns. As on the date of this Draft Red Herring Prospectus, there have been no penalties levied on our Company for such delays. However, it cannot be assured that even in future no such delay will happen or no such penalty will be levied. Therefore, if the regulatory authorities impose any monitory penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected. We cannot assure you that such delayed compliances will not happen in the future and that our Company will not be subject to any action by statutory or regulatory authorities, which may adversely affect our operating margins and consequentially, business, financial condition and results of operations.

Non-compliance with regulatory requirements can have significant financial and operational consequences for the Company. Failure to meet filing deadlines often results in financial penalties, late fees, and interest charges, increasing the Company's compliance costs and impacting cash flow. Additionally, regulatory authorities may scrutinize the Company's records, leading to audits, investigations, and possible legal proceedings, which further strain financial resources and management bandwidth. Moreover, rectifying past non-compliance requires additional administrative efforts, legal consultations, and resource allocations, adding to the overall compliance burden. Furthermore, reputational damage arising from non-compliance can erode stakeholder confidence, affecting relationships with customers, suppliers, and business partners.

The previous delays in filing return of statutory dues are as under which are as per certificate dated September 23, 2026, issued by M/s M Parashar & Co., Chartered Accountants, the statutory and peer review auditor of our Company:

**Instances of Delay in Filing GST Returns:**

**The Followings table depicts the delays in filling of GSTR-3B Returns by the Company:**

| For the Financial Year | Return Type | Total Number of Return Filled | Delayed Filling |
|---|---|---|---|
| FY 2024-25 | GSTR 3B | 12 | 2 |
| FY 2025-26 | GSTR 3B | 12 | 1 |

**Instances of Delay in Payment of TDS:**

**FY 2025-2026**

| For the Financial Year | Total Amount Payable | Amount Paid within Due Date | Amount Not Paid | Delayed Payment |
|---|---|---|---|---|
| FY 2023-24 | 7,49,398 | 6,98,448 | - | 50,950 |
| FY 2024-25 | 23,05,596 | 21,74,066 | - | 1,31,530 |
| FY 2025-26 | 39,97,008 | 34,28,736 | - | 5,68,272 |

*****As certified by Statutory and Peer Review Auditor, M/s M Parashar & Co., Chartered Accountants vide their certificate September 23, 2026.*

***20. The capacity of our manufacturing unit is not fully utilized. Consequently, if there is also any under-utilization of our capacities in future, it could affect our ability to fully absorb fixed costs and thus may adversely impact our financial performace.***

The capacity of our current plant is not fully utilized. Further, we propose to fully utilize our production capacities in coming years based on our estimates of market demand and profitability. In the event of non-materialization of our estimates and expected order flow for our product and/or failure of optimum utilization of our capacities, due to factors including adverse economic scenario, change in demand or for any other reason, our ability to fully absorb our fixed cost will be impaired and may adversely impact our financial performance.

***21. There are certain delayed filings of Provident Fund and Employees' State Insurance dues which may attract penalties.***

We are required under applicable Indian laws and regulations, including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and applicable provisions relating to Employees' State Insurance ("ESI"), to deposit employee and employer contributions towards Provident Fund ("PF") and ESI and file the corresponding returns within the prescribed timelines. In the past, there have been some instances of delays in filing PF and ESI returns. Any delay in this regard may attract interest, penalties and damages as prescribed under applicable law.

While we endeavour to ensure strict and timely compliance with all statutory obligations, there can be no assurance that inadvertent delays or lapses will not occur in the future. Delayed filing of PF and ESI dues could expose us to regulatory scrutiny, demands for payment of interest and damages and initiation of legal proceedings. Further, such non-compliance, even if inadvertent or technical in nature, could adversely affect our reputation, create employee dissatisfaction, and have a material adverse effect on our business operations, financial condition and results of operations.

While our Company has already regularised the aforesaid delays, there can be no assurance that the regulators may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by the regulators in relation to regulatory compliances for all such instances and periods. Any adverse order passed, or penalty imposed by the regulators on us, may adversely affect our business and results of operations.

While our Company has already regularised the aforesaid delays, there can be no assurance that the regulators may not initiate proceedings against us or that we will be able to sufficiently defend against any action initiated by the regulators in relation to regulatory compliances for all such instances and periods. Any adverse order passed, or penalty imposed by the regulators on us, may adversely affect our business and results of operations.

**Details of delay in payment of PF dues:**

| Sr. No | For the Financial Year / Period | Total Amount Payable | Amount Paid within Due Date | Amount Not Paid | Delayed Payment |
|---|---|---|---|---|---|
| 1 | FY 2023-24 | 36,472 | 0 | 0 | 36,472 |
| 2 | FY 2024-25 | 57,579 | 0 | 0 | 57,579 |
| 3 | FY 2025-26 | 60,443 | 0 | 0 | 60,443 |

**Details of delay in payment of ESI dues:**

| Sr. No. | For the Financial Year / Period | Total Amount Payable | Amount Paid within Due Date | Amount Not Paid | Delayed Payment |
|---|---|---|---|---|---|
| 1 | FY 2023-24 | 9,101 | 0 | 0 | 9,101 |
| 2 | FY 2024-25 | 14,437 | 0 | 0 | 14,437 |
| 3 | FY 2025-26 | 15,203 | 0 | 0 | 15,203 |

**As certified by Statutory and Peer Review Auditor, M/s M Parashar & Co., Chartered Accountants vide their certificate dated September 23, 2026.*

***22. We are dependent on our Promoters, Directors and Key Managerial Personnel for their continuing services, strategic guidance and financial support. Our success depends upon the continuing services of Promoters, Directors and Key Managerial Personnel who are the natural person in control of our Company.***

Our Promoters and Directors bring extensive experience to the business conducted by our Company. Over the years, they have cultivated strong relationships with various customers and suppliers, significantly enhancing our Company's customer and supplier connections. We believe their deep industry expertise, customer management skills, and overall business acumen have contributed to our growth and profitability.

We benefit from the support and guidance of our Promoters, Directors, and Key Managerial Personnel, and our success relies on their continued involvement. Our Directors and Key Managerial Personnel play a critical role in managing day-to-day operations. The loss of any of our Promoters, Directors, or Key Management Personnel, or an inability to retain or recruit suitable replacements, could adversely affect our operations. Such a loss could impair our ability to efficiently manage and grow the business. Furthermore, failure to attract and retain skilled employees at reasonable costs could hinder the execution of our growth strategy. For more details about our Directors and Key Managerial Personnel, please refer to the chapter titled ***"Our Management"*** beginning on page 184 of this Draft Red Herring Prospectus.

The attrition rates for the financial year ended March 31, 2026, March 31, 2025 and March 31, 2024 for the employees who are on pay roll of our Company are as below:

| Sr. No. | Particulars** | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| 1 | Opening Balance | 38 | 40 | 29 |
| 2 | Addition | 60 | 72 | 63 |
| 3 | Attrition | 56 | 74 | 52 |
| 4 | Closing Balance | 42 | 38 | 40 |
| 5 | Average* | 40 | 39 | 34.50 |
| | **% Attrition*** | **140.00%** | **189.74%** | **150.72%** |

***Note:***

1. *Average Employees= (Opening employees+ Closing Employees)/2;*
2. *Attrition rate is calculated as Attrition/Average Employees*100*
3. *The percentage of attrition rate include the KMP as well as SMP of our Company.*

***As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

***23. Our Company has unsecured loans which are repayable on demand.***

Any demand from lenders for repayment of such unsecured loans may adversely affect our cash flows. Our Company has availed unsecured loans which may be recalled by lenders at any time with or without the existence of an event of default, on short or no notice. As of March 31, 2026, such loans amounted to ₹ 522.81 lakhs. In the event that any lender seeks repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may materially affect our business, cash flows, financial condition and results of operations. For further details, please see the chapter titled **"Statement of Financial Indebtedness"** on page 247 of this Draft Red Herring Prospectus.

***24. Few documents of Mr. Sanjeev Malhotra, promoter of our company and Ms. Sunaina Prashant Ahuja, Independent Director and Ms. Jyoti Bala Soni, Company Secretary and Compliance Officer are untraceable.***

Certain educational documents of one of our Promoter, Mr. Sanjeev Malhotra, Independent Director, Ms. Sunaina Prashant Ahuja and Company Secretary and Compliance Officer, Ms. Jyoti Bala Soni are currently untraceable. Specifically, the original degree certificate evidencing their academic qualification is not available. However, in case of Sanjeev Malhotra, we possess the Second Semester Marksheet of Bachelor of Textiles, in case of Sunaina Prashant Ahuja we possess completion certificate of Diploma in Business Management and in case of Jyoti Bala Soni, we possess the final year marksheet of Bachelor of Commerce which reflects their academic performance and completion of the relevant course. While this does not impact the operational or financial performance of our Company, the absence of such documentation may raise concerns regarding the completeness of records during due diligence processes undertaken by investors, regulators, or other stakeholders.

***25. Strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees/workmen in future could adversely affect our business and results of operations.***

Our Company as at March 31, 2026, has total 42 employees on the Company's payroll and also hires labours on contract basis at manufacturing unit. With an increase in our operation capacities or execution of any expansion projects in future, we expect increase in such number of employees/contract labour. Historically, we have good relationship with our employees and contract labours. There are no instances of any lockouts, strikes, or any disruptions of any sort due to labour unrest, in past.

However, there can be no assurance that we may not experience any disruptions in our operations in future as well. In case of disputes or other problems with our work force such as strikes, work stoppages or increased wage demands, our business, financial conditions and results of operations may be materially and adversely affected.

***26. If we are unable to effectively address the increased competition we anticipate, we may lose market share and experience a decline in profits, which could negatively impact our business, operational results, and financial condition.***

Our products face competition from current products offered by local companies, multinational companies, and other global competitors across all our product portfolios. If our competitors capture significant market share at our expense, it could negatively impact our business, financial performance, and results of operations. Many of our competitors have more financial, manufacturing, research and development, marketing, and other resources, along with greater experience in obtaining regulatory approvals, a wider geographic reach, broader product offerings, and more robust sales forces. They may succeed in developing more effective, popular, or cost-effective products, potentially rendering our products obsolete or less competitive, which could harm our business and financial outcomes.

Additionally, we face margin pressure due to pricing competition from small, unorganized local players. The dominance

of unorganized sector competitors has led to a highly competitive environment with intense price competition. Also, if a competitor or their customers acquire any of our clients or suppliers, we may lose business or face disruptions in our supply chain, which could adversely affect our business, financial condition, and operational results.

***27. We are exposed to risks relating to inability of obtaining or renewing or maintaining our statutory and regulatory permits and approvals, required to operate our business, which may adversely affect our business, financial condition, results of operation and cash flow.***

We are required to obtain various statutory and regulatory permits and approvals to operate our business which requires us to comply with certain terms and conditions to continue our operations. As on the date of this Draft Red Herring Prospectus, applications have been made by our Company for obtaining certain certificates, licences and approvals, which remain pending for approval, including the IATF 16949:2016 certification, bearing certification no. 01 111 2536377 / 01 100 2536377, Contract Labour Registration (Haryana) bearing application id. 58104, and Authorization under Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016 bearing application no. 148701210. For further details, kindly refer ***"Government and Other Statutory Approvals"*** on page 273 of this Draft Red Herring Prospectus.

Failure to obtain these permits and approvals may result in imposition of fines and penalties by the relevant regulator. Further, the said approvals and permits also require us to comply with certain terms and conditions, and in the event that we are unable to comply with any or all of these terms and conditions or seek waivers or extensions of time for complying with these terms and conditions, we may be subject to stringent restrictions on our operations. This may result in the interruption of all or some of our operations and may have an adverse effect on our business, financial condition, results and cash flow. In the event that we are unable to obtain, renew or maintain statutory permits and approvals or comply with regulatory requirements, it may result in the interruption of all or some of our operations, imposition of penalties and could materially and adversely affect our business, financial performance and reputation.

In addition, we are required to obtain certain approvals in the normal course of our business such as employee provident fund, employees' state insurance corporation registration and tax registrations. For further details, kindly refer "***Government and Other Statutory Approvals***" on page 273. Further, our approvals and licenses are subject to numerous conditions, some of which are onerous and may require us to incur substantial expenditure in order to comply with such conditions. We may not, at all times, have all the approvals required for our business. There have been instances in the past, wherein the licenses and approvals required for operation of our Company, were obtained with a delay, resulting in execution of our business operations without such approvals for a certain period of time. We cannot assure that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked, or that applicable penalties will not be imposed on us in the event of non-compliance with any terms and conditions. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

***28. Our manufacturing operations are substantially dependent on contractual labour engaged in the production department and any disruption in availability of such labour may adversely affect our operations.***

Our Company engages labourers on a contractual basis from time to time, depending upon our operational and production requirements. We have entered into formal agreements with contractors and agencies for engagement of such contractual labour. However, the contractual nature of such arrangements may not assure uninterrupted availability of manpower at all times. Any shortage of labour, non-renewal or termination of arrangements with contractors, labour disputes, non-compliance by contractors with applicable labour laws, increase in labour costs, absenteeism or disruption in the availability of contractual workforce may adversely affect our production schedules, operational efficiency and ability to meet customer requirements. Further, there can be no assurance that such contractual arrangements will continue on existing terms or remain adequate for our operational requirements. Any such disruption may adversely affect our business, financial condition and results of operations.

***29. Certain of our Promoter Group Entities operate or have objects in a similar line of business as our company, which may result in potential conflicts of interest.***

Certain of our Promoter Group Entities have object clauses in their respective Memorandum of Association ("MoA") or business descriptions contained in their Annual Reports that are similar or ancillary to the business carried on by our Company. While such Group Entities are not presently engaged in competing business activities, their constitutional documents permit them to undertake such activities in the future.

Further, one of our Promoter Group Entities, pursuant to the objects contained in its LLP Deed, is engaged in a business similar to that of our Company. As a result, potential conflicts of interest may arise in relation to business opportunities, customers, suppliers, employees and other commercial matters.

The details of business activities carried out by Promoter group entities are as follows:

| Name of Promoter Group Entity | Similarities | Distinguishments |
|---|---|---|
| Auto Recycling Services LLP | Buying and selling of non-ferrous scrap metals (As objects mentioned in LLP deed). | Auto Recycying Systems limited is involved in manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material. However, no such business is carried out by Auto Recycling Services LLP. |
| Indo Australian Enterprise Pty Ltd | Selling of Metal scrap (As per Annual Report) | Auto Recycying Systems limited is involved in manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material. However, no such business is carried out by Indo Australian Enterprise Pty Ltd. |
| Sripa & RD Ventures Private Limited | Business of Manufacturers, stockiest, importer and exporter in ferrous and non ferrous metal, scrap, iron and steel, aluminum, brass, tin, nickel, special steel. (As per Memorandum of Association of Company) | Auto Recycying Systems limited is involved in manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material. However, no such business is carried out by Sripa & RD Ventures Private Limited as on date. |

Our Company has entered into Non-Compete Agreements dated August 14, 2026 with all the relevant Promoter Group Entities, pursuant to which they have agreed not to engage in, or assist others in the business of manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material and shall not engage in trading of aluminium scrap and other non-ferrous materials. Although, there can be no assurance that such arrangements will eliminate all potential conflicts of interest or prevent future disputes. Any such future conflicts may have an adverse effect on our reputation, business and results of operations.

***30. Dependence upon transportation services for supply and transportation of our products are subject to various uncertainties and risks, and delays in delivery may result in rejection of products by customer.***

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation of our finished products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

***31. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject to, and this may have a material adverse effect on our business.***

Our operations are subject to risks inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. Our significant insurance policy consists of fire insurance. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policy does not cover all risks, specifically risks such as cash in transit, goods in transit, machinery breakdown, keyman insurance, workmen compensation, group personal accident or Mediclaim policy. Failure to effectively cover ourselves against the associated risks may potentially lead to material losses. There can be no assurance that our insurance policy will be adequate to cover the losses/ damages suffered or that such insurance coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. If we suffer a significant uninsured loss or if insurance claim in respect of the subject matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

***32. Failure to effectively execute our business strategy could negatively impact our operations and hinder our growth.***

The success of our business relies on our ability to efficiently implement our business strategy. Strategies are built on assumptions about the market, competitors, and internal capabilities. If these assumptions prove false, execution will struggle. Effective execution of a strategy, often involves coordinating many different departments, careful allocation of financial, human, and technological resources. Misallocation can cripple the strategy. This complexity increases the chances of missteps. Also, change, which is inherent in strategy execution, can face resistance from employees, management, or established processes. While we have generally succeeded in executing our plans in the past, there is no guarantee that we will achieve timely and budget-compliant execution in the future. Failure to implement our strategy effectively could adversely impact our business, financial condition, and operational results.

***33. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.***

We are in the process of setting up internal controls and compliance system for our business. Accordingly, at this stage we cannot assure that there are no deficiencies in statutory and/or regulatory compliances. Further we cannot assure that deficiencies in our internal controls will not arise 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, in a timely manner or at all. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

***34. Our Promoter and the Promoter Group will jointly continue to retain majority shareholding in our Company after the Issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoter along with the promoter group will continue to hold collectively majority of the Equity Share Capital of the Company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder's vote. Such a concentration of the ownership may also have the affect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

***35. Employee misconduct or errors, which can be difficult to detect, could negatively impact our financial condition, operational results, and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected. Although our company has not encountered any such instances in past which will negatively impact our business, operational results, financial condition, and cash flows.

***36. Our Company has entered into certain related party transactions and may continue to do so in the future.***

Our Company has entered into few related party transactions with our Promoters, Directors, Promoter Group, Group companies/entities during the last three Financial Years. While our all such transactions have been conducted on the arm's length basis and as per the Companies Act, 2013, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. Please refer ***"Note 34–Related Party Transactions"*** under the chapter titled ***"Restated Financial Statements"*** beginning on page no. 207 of this Draft Red Herring Prospectus.

***37. The average cost of acquisition of Equity shares by our Promoters is lower than the Issue price.***

Our Promoter's average cost of acquisition of Equity shares in our Company is lower than the Issue Price of Equity shares as given below:

| Sr. No. | Name of Promoters | No. of Equity Shares held | Average Cost of Acquisition per equity share (in ₹)*#$ |
|---|---|---|---|
| 1. | Sanjeev Malhotra | 1,52,46,200 | 5.00 |
| 2. | Sarthak Malhotra | 7,52,100 | 4.99 |

**The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.*

*# Rounded Off*

*[$]Based on Certificate issued by Statutory and Peer Review Auditor, M/s M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

***38. Failure to maintain product quality standards or keep up with technological advancements could negatively affect our business, financial performance, and operational results.***

Our business, financial performance, and operational results could be significantly impacted if we fail to maintain product quality standards or do not keep pace with technological advancements. Despite implementing strict quality control measures, we cannot guarantee that our products will consistently meet customer expectations for quality. If our products do not meet the expected quality standards or are perceived as outdated in comparison to market alternatives, customer satisfaction may decline. This could result in lower sales, diminished brand reputation, and loss of existing or potential customers.

Additionally, rapid changes in customer expectations driven by advancements in technology, the introduction of new products, or other factors, and our inability to meet these evolving demands, could adversely affect our business, operational results, and financial condition. While we consistently focus on the quality of our products to meet customer needs and strive to update our technology, failure to anticipate or respond effectively to shifting technical requirements, market demands, or client expectations could negatively impact our business and financial outcomes.

***39. We have certain contingent liabilities which have been disclosed in our Restated Financial Information, which if they materialize, may adversely affect our results of operations, cash flows and financial condition.***

The following is a summary table of our contingent liabilities for last 3 fiscals as indicated in our Restated Financial Statement.

***(₹ in Lakhs)***

| Particulars | For the Financial Year ended | | |
|---|---|---|---|
| | March 31, 2026* | March 31, 2025* | March 31, 2024* |
| Disputed GST demand (Order for Determination of Tax under the GST Act), not acknowledged as debt | 927.06 | - | - |

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations. For further information on contingent liabilities for last 3 fiscals, see chapter titled ***"Restated Financial Statements"*** beginning on page no. 207.

***40. In addition to receiving regular remuneration, other benefits, and expense reimbursements, our Promoters and Directors have interests in the Company through their shareholding and entitlement to dividends. They are also interested in transactions conducted between the Company and themselves.***

Our Promoters and Directors have an interest in our Company to the extent of their shareholding and dividend entitlement, in addition to their regular remuneration, benefits, and reimbursement of expenses. They also have an interest in transactions between our Company and themselves. These transactions may or may not be conducted at arm's length or in the ordinary course of business. If such transactions are not carried out at arm's length or in the ordinary course of business, it could impact our financial position.

For details of transactions already executed by our Company with our Promoters and Directors over the past three years, please refer to ***"Note 34 –Related Party Transactions"*** in the chapter titled ***"Restated Financial Statements"*** beginning on page 207 of this Draft Red Herring Prospectus.

***41. A shortage or non-availability of electricity may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing operations require a significant amount and continuous supply of electricity and any shortage or non-availability may adversely affect our operations. We currently depend on state electricity supply for our energy requirements. Any failure on our part to obtain alternate sources of electricity in a timely manner and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition. However, there have been no instances reported till date where shortage or non-availability of electricity have adversely affected our manufacturing operations.

***42. Dependence on debt and outflow of finance cost leads to outflow of cash flows and reduce overall profitability.***

Due to manufacturing activities, our business requires significant working capital. We depend on internal accrual, creditors and borrowed fund to meet out finance for working capital. We may also be required to depend on the additional borrowed capital to fund the working capital in future with increase in volume of operations and production. The additional borrowed fund may require us to dedicate a substantial portion of our cash flow from operations to payments of interests, thereby reducing the availability of our cash flow to fund capital expenditures and other general corporate expenditures. It limits our borrowing ability and places us at a competitive disadvantage relative to competitors that have less debt or greater financial resources. There can be no assurance that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, we may need to refinance some or all of our indebtedness.

***43. Majority of our Directors do not have any prior experience of being a director in any other listed company in India.***

Our Company currently has 5 (Five) directors on our Board out of which 2 (Two) are Executive Directors and 3 (Three) are Non-Executive Directors including 2 (Two) Independent Directors. Majority of our board of directors do not have any prior experience of being a director in any other listed company in India. While our Board members are qualified and have relevant experience in their respective field, they do not have any prior experience as a director in any other listed company in India which might lead to some potential challenges to our Company in complying with good corporate governance norms and practices. For further details, please see chapter titled ***"Our Management"*** beginning on page no. 184 of this Draft Red Herring Prospectus.

***44. Compliance with and changes in safety, health and environmental laws and various labour, workplace and related laws and regulations impose additional costs and may increase our compliance costs and a such adversely affect our results of operations and our financial condition.***

We are subject to a broad range of safety, health and environmental laws and various labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, employee exposure to hazardous substances and other aspects of our operations. Compliance with, and changes in these laws may increase our compliance costs and as such adversely affect our results of operations and financial condition.

***45. If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.***

As of March 31, 2026 our Company had total indebtedness in the form of short term and long-term borrowings of ₹ 4,423.48 lakhs on restated basis. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements;

Many of our financing agreements also include various conditions and covenants that require us to obtain consent of the lenders prior to carrying out certain activities or entering into certain transactions. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. For further details in this regard, please refer to notes under chapter titled ***"Restated Financial Statements"*** beginning on page no. 207 of this Draft Red Herring Prospectus.

***46. Our lenders have charge over our movable and immovable properties in respect of finance availed by us and our promoters, Directors and member of promoters group have provided their personal guarantee for such debt facility availed by us.***

We have secured outstanding debt of ₹ 3,900.67 lakhs as on March 31, 2026 and we have secured our lenders by creating charge over our movable and immovable properties and our promoters, directors and member of promoter group have provided their personal guarantee for such debt facility availed by us. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders.

Moreover, in the event that any of these guarantees are revoked by promoters, members of promoters group or third party, the lenders for such facilities may require alternate properties as mortgages/guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities.

We may not be successful in procuring alternative properties/guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

For further information on the financing and loan agreements along with the total amounts outstanding, please refer to chapter titled ***"Restated Financial Statements"*** beginning on page no. 207 of this Draft Red Herring Prospectus.

***47. Changes in technology may render our current technologies obsolete or require us to make substantial investments.***

To remain competitive and efficient, modernization and technology upgradation are crucial for reducing costs and increasing output. Our business relies on technology and machinery to deliver quality products. However, there is a risk of our technology and machinery becoming obsolete over time or not being upgraded timely, which can adversely impact our operations and financial condition. While we believe that we have implemented updated technology, we understand the importance of continuous improvement. We are committed to staying abreast of the latest technological standards and trends to enhance our capabilities. In the event of a new technology emerging in our industry, we may be required to invest in adopting that technology or upgrading our existing machinery and equipment to remain competitive.

The costs associated with upgrading technology and modernizing machinery are significant, and they can have a substantial impact on our finances and operations. These investments may lead to higher capital expenditures and can temporarily affect our profitability and cash flow. We must carefully assess the potential benefits and returns on such investments to ensure they align with our long-term growth objectives.

Our ability to successfully implement technology upgrades and modernization efforts depends on various factors, including availability of skilled technicians, compatibility of new technology with existing systems, and adequate financial resources. Delays or challenges in adopting new technology can hinder our operational efficiency and competitiveness in the market.

***48. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. As such our Company has not paid any dividend in past. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

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

We propose to utilize the Net Proceeds towards utilization for working capital requirement and General Corporate Purposes. For further details of the proposed objects of the Issue, see chapter titled ***"Object of the Issue"*** beginning on page no. 76 of this Draft Red Herring Prospectus. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control.

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing the Red Herring Prospectus with RoC, our Company will appoint a Monitoring Agency to monitor the utilization of the Gross Proceeds as the proposed Offer exceeds 5,000.00 lakhs. The Monitoring Agency will monitor the utilisation of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Gross Proceeds have been utilised in full and Company shall provide details / information / certifications obtained from statutory auditors on the utilization of the Net Proceeds to the Monitoring Agency. Our Company undertakes

to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ***"Objects of the Issue"*** beginning on page 76 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI ICDR Regulations, 2018, a company shall not vary the objects of the Issue without our Company being authorised to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

***50. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the chapter titled ***"Basis for Issue Price"*** beginning on page no. 93 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

***51. The Objects of the Issue for which funds are being raised, are based on our management estimates and the same have not been appraised by any bank or financial institution or any independent agency. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled as "Objects of the Issue".***

The fund requirement and deployment, as mentioned in the chapter titled as ***"Object of the Issue"*** beginning on page no. 76 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter titled ***"Object of the Issue"*** on page no. 76 of this Draft Red Herring Prospectus is at the discretion of our Board of Directors and are subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation under chapter titled ***"Objects of the Issue"*** will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control and will be subject applicable rules and regulations. The occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

***52. In the event there is any delay in the completion of the Issue, or delay in schedule of implementation, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as stated in the chapter titled ***"Object of The Issue"*** beginning on page no. 76 of this Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, it may adversely affect our revenues and results of operations.

***53. We have not identified any alternate source of raising the funds required for the object of the Issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled "Objects of the Issue".***

Our Company has not identified any alternate source of funding for our object of the Issue and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. For further details of please refer chapter titled ***"Object of the Issue"*** beginning on page no. 76 of this Draft Red Herring Prospectus.

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

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although, we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. 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.

***55. The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge, and we cannot assure that we will be able to do so in a timely manner. The failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange.

***56. There is no guarantee that our Equity Shares will be listed on the relevant stock exchange in a timely manner or at all.***

There is no guarantee that our Equity Shares will be listed on the relevant stock exchange in a timely manner or at all. In accordance with Indian law, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the relevant stock exchange within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

***57. Estimates and forward-looking statement may prove to be inaccurate.***

The Draft Red Herring Prospectus contains "forward-looking statements" that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this Draft Red Herring Prospectus, including, without limitation, statements regarding our future financial position, business strategy, plans and objectives for future operations, capital expenditure, and future cash flows, are forward-looking statements. These forward-looking statements are based on our current expectations, projections, and beliefs about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, and financial needs. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and assumptions, which could cause our actual results, performance, or achievements to differ materially from those expressed or implied by the forward-looking statements.

## EXTERNAL RISK FACTORS

***58. An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our business, results of operations and financial condition.***

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a signification portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition.

In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

***59. Geopolitical Tensions May Adversely Impact Our Business, Operations and Financial Performance***

Our business operations may be affected by adverse changes in global and regional geopolitical conditions. Increasing geopolitical tensions, including conflicts between countries, changes in diplomatic relations, trade restrictions, sanctions, and protectionist policies, may disrupt global supply chains, increase input costs, and create volatility in financial markets. Such developments may lead to uncertainty in the availability and pricing of raw materials, logistics challenges, currency fluctuations, and reduced investor confidence. Additionally, any escalation in geopolitical conflicts or imposition of trade barriers may impact our ability to conduct business with international counterparties, if any, and could adversely affect our growth prospects. While we continuously monitor global developments and attempt to mitigate associated risks, there can be no assurance that such measures will be sufficient. Any significant geopolitical disruptions may have a material adverse effect on our business, financial condition, and results of operations.

***60. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Any changes in the regulatory framework could adversely affect our operations and growth prospects.

Our Company is subject to various regulations and policies. For details see chapter titled ***"Key Industry Regulations"*** beginning on page no. 173 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

***61. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

***62. Revenue of our Company is derived from business in India and a decrease in economic growth in India could cause our business to suffer.***

At present, we derive revenue in India, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

***63. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

***64. The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Our Company has appointed Finaax Capital Advisors Private Limited as Lead Manager for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our

performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

***65. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Once listed, we would be subject to circuit breakers imposed by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index - based market - wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

***66. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include various taxes introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates / slab will continue in the future. Any changes in these tax rates / slabs could adversely affect our financial condition and results of operations.

***67. BSE may not grant Approval for listing of equity shares of our Company.***

Our company will apply for In-principle approval to BSE for its proposed public issue. There is a risk that BSE Limited (BSE) may not grant approval for our proposed public issue. The approval process involves rigorous scrutiny of our company's financials, compliance with regulatory requirements, and overall suitability for listing. Despite our efforts to meet all regulatory standards and provide comprehensive disclosures, there is no guarantee that the BSE will find our application satisfactory. Non-approval by the BSE would significantly impact our ability to access the capital markets and raise the necessary funds for our planned expansions and operations. This could adversely affect our financial condition and future growth prospects. Investors should consider this risk before making any investment decisions.

***68. The Investors will not be able to sell immediately on Stock Exchange any of the Equity Shares that they purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the SME Platform of BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure the Investors that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict their ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

***69. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the Trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

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

Prior to the issue, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, there will be liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian and global machine tools industry, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of

our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares. General or industry-specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance may also affect the price of the Equity Shares. In particular, the stock market as a whole in the past has experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

***71. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in affect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

***72. Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

***73. Terrorist attacks or war or conflicts involving India or other countries could adversely affect consumer and business sentiment and the financial markets and adversely affect our business.***

Terrorist attacks and other acts of violence or war may adversely affect global equity markets and economic growth as well as the Indian economy and stock markets. Such acts negatively impact business and economic sentiment, which could adversely affect our business and profitability. Also, India has from time to time experienced, and continues to experience, social and civil unrest and hostilities with neighboring countries. Armed conflicts could disrupt communications and adversely affect the Indian economy. Such events could also create a perception that investments in Indian companies involve a high degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable and we therefore may not be able to foresee events that could have an adverse effect on our business.

***74. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

## SECTION III – INTRODUCTION

### THE ISSUE

| PRESENT ISSUE OF EQUITY SHARES BY OUR COMPANY IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS | |
|---|---|
| **Particulars** | **Details** |
| Equity Shares Issued* | Upto 69,00,000 Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of ₹ [●] per Equity Shares aggregating to ₹ [●] Lakhs. |
| ***Of which*** | |
| Reserved for Market Makers | Upto [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs. |
| Net Issue to the Public | Upto [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs. |
| ***Of which*** | |
| **A. Allocation to Qualified Institutional Buyers.** | Not more than [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs. |
| ***Of Which*** | |
| i. Anchor Investor Portion | Upto [●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- (including a Share premium of ₹[●]/- per Equity Share) per share aggregating to ₹[●] Lakhs. |
| ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | Upto [●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- (including a Share premium of ₹[●]/- per Equity Share) per share aggregating to ₹[●] Lakhs. |
| ***Of which*** | |
| Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | Upto [●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- (including a Share premium of ₹[●]/- per Equity Share) per share aggregating to ₹[●] Lakhs. |
| Balance of QIB Portion for all QIBs including Mutual Funds | Upto [●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- (including a Share premium of ₹[●]/- per Equity Share) per share aggregating to ₹[●] Lakhs. |
| **B. Allocation to Non-Institutional Investors** | Not Less than [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs. |
| ***Of which*** | |
| i. one third of the non-Institutional portion shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs | Not Less than [●] Equity Shares of ₹10/- each at an Offer Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs. |
| ii. Two-third of the non-Institutional portion shall be reserved for applicants with application size of more than ₹10 lakhs | Not Less than [●] Equity Shares of ₹10/- each at an Offer Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs. |
| **C. Allocation to Individual Investors** | Not Less than [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs. |
| ***Pre and Post–Issue Equity Shares*** | |
| Equity Shares outstanding prior to the Issue | 1,60,00,000 Equity Shares of ₹10/- each. |
| Equity Shares outstanding after the Issue | [●] Equity Shares of ₹10/- each. |

| | |
|---|---|
| Use of Proceeds | For details please refer chapter titled ***"Object of The Issue"*** beginning on page no. 76 of this Draft Red Herring Prospectus for information on use of Issue Proceeds. |

**Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.*

**Note:**

1. *The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(2) and Regulation 253 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post - issue paid up equity share capital of our company are being issued to the public for subscription.*

2. *The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 4, 2026 and by the shareholders of our Company, pursuant to section 62(1)(c) of the Companies Act, 2013, vide a special resolution passed at the EGM held on July 7, 2026.*

3. *This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, read with SEBI ICDR (Amendment) Regulations, 2025 as amended from time to time. For further details, please see the chapter titled* ***"Issue Related Information"*** *beginning on page no. 295 of this Draft Red Herring Prospectus.*

4. *The SEBI ICDR Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025, permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non- Institutional Portion. Subject to the availability of shares in non-institutional investors' category the, allotment to each Non-Institutional Investors shall not be less than the minimum application size in 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 of the SEBI ICDR Regulations 2018 read with SEBI ICDR (Amendment) Regulations, 2025. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.*

5. *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.*

6. *Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. Forty per cent of the anchor investor portion, shall be reserved as under –*

   *(i) 33.33 per cent for domestic mutual funds; and*

   *(ii) 6.67 per cent for life insurance companies and pension funds:*
   *Any under-subscription in the reserved category specified in clause (ii) above may be allocated to domestic mutual funds.*

SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 3, 2025 effective from the date of their publication in official gazette, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and Subject to the availability of shares in non-institutional investors' category, the allotment to Non- Institutional Investors shall be more than two lots which shall not be less than the minimum application size in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Further, 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 Bid amount is up to ₹ 5,00,000 shall use UPI. UPI Bidders using the UPI Mechanism, shall provide their UPI ID in the Bid cum

Application Form for Bidding through 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.

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## SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Statements for Financial Year Ended March 31, 2026, Financial Year ended March 31, 2025, and Financial Year ended on March 31, 2024.

The Restated Financial Information referred to above are presented under ***"Restated Financial Statements"*** beginning on page no. 207. The summary of financial information presented below should be read in conjunction with the ***"Restated Financial Statements"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on page no. 207 and 251, respectively.

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

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

*(₹ in Lakhs)*

| Particulars | Note | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| **Equity and liabilities** | | | | |
| **Shareholders' Funds** | | | | |
| (a) Share capital | 6 | 800.00 | 800.00 | 800.00 |
| (b) Reserves and Surplus | 7 | 1,803.28 | 681.14 | 36.32 |
| **Total Shareholders' Funds** | | **2,603.28** | **1,481.14** | **836.32** |
| **Non-current liabilities** | | | | |
| (a) Long-terms borrowings | 8 | 742.91 | 544.14 | 341.37 |
| (b) Long-terms provisions | 9 | 5.71 | 3.49 | 1.88 |
| (c) Deferred Tax Liabilities (Net) | 10 | 31.62 | 22.35 | 14.33 |
| **Total non-current liabilities** | | **780.24** | **569.97** | **357.58** |
| **Current liabilities** | | | | |
| (a) Short-term borrowings | 11 | 3,641.58 | 1,889.73 | 1,239.71 |
| (b) Trade payables | 12 | | | |
| - Total outstanding dues to micro and small enterprises | | 327.68 | - | - |
| - Total outstanding dues of creditors other than micro and small enterprises | | 533.28 | 303.57 | 101.14 |
| (c) Other current liabilities | 13 | 169.62 | 491.12 | 85.51 |
| (d) Short term Provisions | 14 | 255.89 | 129.03 | 8.20 |
| **Total current liabilities** | | **4,928.06** | **2,813.44** | **1,434.56** |
| **Total Shareholders Fund and Liabilities** | | **8,311.58** | **4,864.55** | **2,628.46** |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| (a) Property, plant and equipment and Intangible Asset | | | | |
| -Property, plant and equipment | 15 | 1,415.12 | 1,227.66 | 1,098.59 |
| (b) Long Term Loan and Advances | 16 | 29.76 | 28.79 | 21.29 |
| **Total non-current assets** | | **1,444.88** | **1,256.46** | **1,119.88** |
| **Current assets** | | | | |
| (a) Inventories | 17 | 3,375.79 | 1,612.32 | 671.61 |
| (b) Trade receivables | 18 | 2,889.53 | 1,369.28 | 437.01 |
| (c) Cash and Bank Balance | 19 | 190.65 | 138.31 | 151.37 |
| (d) Short Term Loan and Advances | 20 | 407.65 | 486.34 | 236.18 |
| (e) Other Current assets | 21 | 3.08 | 1.83 | 12.41 |
| **Total current assets** | | **6,866.69** | **3,608.09** | **1,508.58** |
| **Total assets** | | **8,311.58** | **4,864.55** | **2,628.46** |

## STATEMENT OF PROFIT AND LOSS AS RESTATED

*(₹ in Lakhs)*

| Particulars | | Note | For the year ended March 31, 2026 | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|---|---|
| I | Revenue from operations | 22 | 25,667.19 | 14,421.53 | 5,268.67 |
| II | Other income | 23 | 88.38 | 102.98 | 19.21 |
| **III** | **Total income (I + II)** | | **25,755.57** | **14,524.51** | **5,287.88** |
| **IV** | **Expenses** | | | | |
| (a) | Cost of Goods Consumed | 24 | 23,783.02 | 13,583.59 | 5,135.69 |
| (b) | Changes in inventories of Stock in Trade | 25 | (675.90) | (570.22) | (282.81) |
| (c) | Employee benefit expense | 26 | 147.94 | 126.78 | 97.32 |
| (d) | Finance costs | 27 | 269.71 | 161.29 | 89.11 |
| (e) | Depreciation and amortisation expense | 28 | 46.54 | 41.00 | 32.43 |
| (f) | Other expenses | 29 | 807.63 | 395.81 | 178.90 |
| **Total expenses (IV)** | | | **24,378.94** | **13,738.25** | **5,250.64** |
| **Profit before Exceptional and Extraordinary Items and Tax** | | | **1,376.63** | **786.26** | **37.24** |
| Exceptional Items | | | - | - | - |
| **Profit before Extraordinary Items and Tax** | | | **1,376.63** | **786.26** | **37.24** |
| Extraordinary Items | | | - | - | - |
| **V Profit before tax (III - IV)** | | | **1,376.63** | **786.26** | **37.24** |
| **VI** | **Tax expense** | | | | |
| (1) | Current tax | 30 | 245.33 | 140.43 | 2.46 |
| (2) | Deferred tax expense/ (credit) | 30 | 9.28 | 8.02 | 6.09 |
| | **Total tax expense (VI)** | | **254.61** | **148.45** | **8.56** |
| **VII** | **Profit for the year (V -VI)** | | **1,122.02** | **637.81** | **28.69** |
| **VIII** | **Basic/Diluted Earnings per equity share** | 31 | | | |
| (1) | Restated Basic (₹) | | 14.03 | 7.97 | 0.36 |
| (2) | Restated Diluted (₹) | | 14.03 | 7.97 | 0.36 |

## RESTATED STATEMENT OF CASH FLOWS

*(₹ in Lakhs)*

| Particulars | For the year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | 1,376.63 | 786.26 | 37.24 |
| Adjustments for: | | | |
| Finance costs | 269.71 | 161.29 | 89.11 |
| Rental Income | (80.00) | (66.00) | (12.00) |
| Interest income- | (5.52) | (8.36) | (6.54) |
| Depreciation and amortisation expenses | 46.54 | 41.00 | 32.43 |
| Other Adjustment in Reserve | 0.12 | 7.01 | (1.09) |
| **Operating profit before working capital changes** | **1,607.49** | **921.21** | **139.15** |
| **Adjustments for:** | | | |
| **(Increase)/decrease in operating assets** | | | |
| Trade receivables | (1,520.24) | (932.28) | (437.01) |
| Inventories | (1,763.46) | (940.71) | (300.67) |
| Long Term Loan and Advances | (0.96) | (7.50) | (12.04) |
| Short Term Loan and Advances | 78.70 | (250.16) | (142.12) |
| Other Current Assets | (1.25) | 10.58 | (7.80) |
| **Increase/(decrease) in operating liabilities** | | | |
| Trade payables | 557.39 | 202.43 | (194.21) |
| Provisions (Long Term & Short Term) | 129.09 | 122.43 | 4.09 |
| Other current liabilities | (321.49) | 405.60 | (8.69) |
| **Changes in Working Capital** | **(2,842.24)** | **(1,389.60)** | **(1,098.43)** |
| **Cash generated from operations** | **(1,234.75)** | **(468.40)** | **(959.28)** |
| Income tax paid | (245.33) | (140.43) | (2.46) |
| **Net cash generated by operating activities** | **(1,480.08)** | **(608.83)** | **(961.75)** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment and other intangible assets | (234.00) | (170.08) | (34.36) |
| Interest Income | 5.52 | 8.36 | 6.54 |
| Rental Income | 80.00 | 66.00 | 12.00 |
| **Net cash used in investing activities** | **(148.49)** | **(95.72)** | **(15.82)** |
| **Cash flows from financing activities** | | | |
| Increase in Share Capital (inclusive of Premium received) | - | - | 200.21 |
| Increase/Decrease in short term Borrowings(net) | 1,751.85 | 650.02 | 879.05 |
| Increase/Decrease in Long Term Borrowings(net) | 198.77 | 202.76 | 70.15 |
| Interest Paid | (269.71) | (161.29) | (89.11) |
| **Net cash (used in) / generated by financing activities** | **1,680.90** | **691.50** | **1,060.30** |
| **Net increase/ (decrease) in cash and cash equivalents** | **52.34** | **(13.05)** | **82.73** |
| Cash and cash equivalents at the beginning of the year | 138.31 | 151.37 | 68.63 |
| **Cash and cash equivalents at the end of the year** | **190.65** | **138.31** | **151.37** |

## SUMMARY OF CONTINGENT LIABILITIES

The below table represents the summary of the Contingent Liabilities of our Company for the Financial Year ended March 31, 2026, Financial Year ended March 31, 2025, and for the Period ended March 31, 2024.

*(All amounts in ₹ Lakhs, except as otherwise stated)*

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **I. Contingent Liabilities** | | | |
| (a) Disputed GST demand (Order for Determination of Tax under the GST Act), not acknowledged as debt | 927.06 | - | - |
| (b) Disputed Income Tax demands, not acknowledged as debt | - | - | - |
| (c) Disputed TDS demands, not acknowledged as debt | - | - | - |
| **Total Contingent Liabilities** | **927.06** | **-** | **-** |
| **II. Commitments** | | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - | - |
| (b) Uncalled liability on shares and other investments partly paid | - | - | - |
| (c) Other capital commitments | - | - | - |

Note: During the year ended March 31, 2026, the Company received an Order for Determination of Tax under the Goods and Services Tax (GST) Act involving a disputed demand of ₹ 927.06 Lakhs related to FY 2024-25. The Company has disputed the demand and filed an appeal before the GST appellate authority. Based on management's assessment, no provision has been recognised in the financial statements, and the disputed demand has been disclosed as a contingent liability.

For further details, please refer to ***Annexure 35.1 – Contingent Liabilities*** of the chapter titled ***"Restated Financial Statements"*** beginning on page no. 207 of this Draft Red Herring Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTION

**Details of related parties:**

| Description of relationship | Name of the related party |
|---|---|
| **Key management personnel** | |
| - Chairman and Managing Director | Sanjeev Malhotra |
| - Whole Time Director | Sarthak Malhotra |
| - Non-Executive Director | Ranjana Malhotra |
| - Company Secretary w.e.f. 10.04.2026 | Jyoti Bala Soni |
| - CFO w.e.f. 10.04.2026 | Meenakshi Gupta |
| **Relatives of key management personnel (where transactions have taken place)** | Prerna Malhotra |
| **Enterprises over which key management personnel is able to exercise significant influence (where transactions have taken place)** | Auto Recycling Services LLP |
| | Sarthak International Limited |
| | Indo Australian Enterprise Pty Ltd |
| | Sripa RD Ventures Private Limited |

**Transactions during the year with related parties**

| S. No. | Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| | | | | |
| **A** | **Key management personnel** | | | |
| **I** | **Sanjeev Malhotra** | | | |
| | Unsecured Loan Received | - | - | 2.11 |
| | Unsecured Loan Repayment | - | - | 61.15 |
| | Reimbursement | 28.31 | 1.46 | |
| | | | | |
| **II** | **Sarthak Malhotra** | | | |
| | Managerial Remuneration | 18.00 | 16.50 | 12.00 |
| | Unsecured Loan Received | 208.12 | 103.32 | 33.89 |
| | Unsecured Loan Repayment | 208.40 | 24.90 | 2.00 |
| | Reimbursement | 4.19 | 2.62 | 31.83 |
| | | | | |
| **III** | **Ranjana Malhotra** | | | |
| | Unsecured Loan Received | 128.00 | 507.01 | - |
| | Unsecured Loan Repayment | 134.00 | 310.50 | - |
| | | | | |
| **B** | **Enterprises over which key management personnel is able to exercise significant influence*** | | | |
| **I** | **Sarthak International Limited** | | | |
| | Loan & Advances recoverable | - | 10.00 | - |
| | | | | |
| **II** | **Auto Recycling Services LLP** | | | |
| | Unsecured Loan Repayment | - | - | 1.68 |
| | Unsecured Loan Received | - | - | 1.48 |
| | Advance paid to supplier | 18.77 | 103.47 | 14.89 |
| | Advance repaid by supplier | 137.13 | - | - |
| | Purchase of Service (Rent/Storage Charges Received) | - | 9.00 | - |
| | Purchase of goods | - | 46.03 | - |

| S. No. | Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| | Reimbursement | - | 6.75 | 15.86 |
| | | | | |
| **III** | **Sripa RD Ventures Private Limited** | | | |
| | Sales of Goods | - | - | 127.62 |
| | Sales of Service (Rent/Storage Charges Received) | 80.00 | 66.00 | 12.00 |
| | Purchase | - | 262.65 | 258.59 |
| | Advance paid to supplier | - | 258.61 | - |
| | | | | |
| **IV** | **Indo Australian Enterprise Pty Ltd** | | | |
| | Purchase | 498.96 | 1,312.30 | 1,531.63 |

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the related party transactions are reviewed and approved by board of directors.

| S. No. | Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| **A** | **Key management personnel** | | | |
| **I** | **Sanjeev Malhotra** | | | |
| | Loan Payable | 68.76 | 68.76 | 68.76 |
| | | | | |
| **II** | **Sarthak Malhotra** | | | |
| | Loan Payable | 190.04 | 190.32 | 111.90 |
| | Remunaration payable | 24.83 | 12.58 | - |
| | | | | |
| **III** | **Ranjana Malhotra** | | | |
| | Loan Payable | 249.01 | 255.01 | 58.50 |
| | | | | |
| **IV** | **Prena Malhotra** | | | |
| | Loan Payable | 15.00 | 15.00 | 15.00 |
| | | | | |
| **B** | **Enterprises over which key management personnel is able to exercise significant influence*** | | | |
| **I** | **Sarthak International Limited** | | | |
| | Advance paid to suppliers | 10.00 | 10.00 | - |
| | | | | |
| **II** | **Auto Recycling Services LLP** | | | |
| | Advance paid to suppliers | - | 118.37 | 14.89 |
| | | | | |
| **III** | **Sripa RD Ventures Private Limited** | | | |
| | Trade Payable | - | 3.59 | - |
| | Trade Receivable | 317.29 | - | 137.91 |
| | Advance paid to suppliers | - | 199.72 | - |
| | | | | |
| **IV** | **Indo Australian Enterprise Pty Ltd** | | | |
| | Trade Payable | 68.41 | 14.96 | 52.05 |

For further details, please refer to ***Annexure 34 – Related party disclosures*** of the chapter titled ***"Restated Financial Statements"*** beginning on page no. 207 of this Draft Red Herring Prospectus.

## SECTION IV - GENERAL INFORMATION

Our Company was incorporated as "Auto Recycling Systems Private Limited" as a private limited company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated December 24, 2020, issued by Assistant Registrar of Companies. Further, our Company was converted from a private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of our Company dated May 12, 2026 and consequently, the name of our Company was changed from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited" and a fresh certificate of incorporation dated June 16, 2026 was issued to our Company by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U27200DL2020PLC374942. For further details, please refer to chapter titled ***"History and Corporate Structure"*** beginning on page no. 180 of this Draft Red Herring Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE

| Particulars | Details | | | |
|---|---|---|---|---|
| **Name of Issuer** | Auto Recycling Systems Limited | | | |
| **Registered Office** | 14/A33, IIIrd Floor, Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India<br>**Telephone No.:** +91 01275-299580;<br>**Web site:** www.arsgreen.com<br>**E-Mail:** info@arsgreen.com<br>**Contact Person:** Jyoti Bala Soni | | | |
| **Date of Incorporation** | December 24, 2020 | | | |
| **Company Identification Number** | U27200DL2020PLC374942 | | | |
| **Company Registration Number** | 374942 | | | |
| **Company Category** | Company Limited by Shares | | | |
| **Registrar of Company** | ROC- Delhi II | | | |
| **Address of the RoC** | 8th Floor, Lok Nayak Bhawan, Khan Market, New Delhi – 110003 | | | |
| **Company Secretary and Compliance Officer** | Jyoti Bala Soni<br>Auto Recycling Systems Limited<br>14/A33, IIIrd Floor, Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India<br>**Telephone No.:** +91 01275-299580;<br>**Web site:** www.arsgreen.com<br>**E-Mail:** cs@arsgreen.com | | | |
| **Chief Financial Officer** | Meenakshi Gupta<br>Auto Recycling Systems Limited<br>14/A33 IIIrd Floor Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India<br>**Telephone No.:** +91 01275-299580;<br>**Web site:** www.arsgreen.com<br>**E-Mail:** cfo@arsgreen.com | | | |
| **Designated Stock Exchange** | SME Platform of BSE Limited ("BSE SME")<br>**Address:** Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai-400001, Maharashtra. | | | |
| **Issue Programme** | **Issue Opens On:** | **[●]** | **Issue Closes On:** | **[●]** |
| | **Anchor Investor Bid/Issue Period*** | | **[●]** | |

**The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

**Note:**

Investors can contact the Company Secretary and Compliance officer in case of any pre issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depository's beneficiary account or dispatch

of refund order etc.

All grievances relating to the ASBA process and UPI Process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted or Sponsor Bank, as the case may be. The Applicant should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, UPI ID (in case of II's, if applicable), date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Investors shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries/SCSB in addition to the information mentioned hereinabove.

## BOARD OF DIRECTORS OF OUR COMPANY

Presently our Board of Directors comprises of following Directors.

| Sr. No. | Name | Designation | Address | DIN |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | Chairman and Managing Director | 64, Ground Floor, Hemkunt Colony, Greater Kailash S.O., Greater Kailash, South Delhi, Delhi-110048 | 00525447 |
| 2. | Sarthak Malhotra | Whole-Time Director | 64 Ground Floor, Hemkunt Colony, Greater Kailash Part-1, Greater Kailash, South Delhi, Delhi-110048 | 03558441 |
| 3. | Ranjana Malhotra | Non-Executive Director | 64 Ground Floor, Hemkunt Colony, Greater Kailash, Greater Kailash, South Delhi-110048 | 01404075 |
| 4. | Sunaina Ahuja | Independent Director | 4028, First Floor, Aradhya Homes Ansal Versalia Sector, 67A Gurgaon, Badshahpur, Gurgaon, Haryana-122101 | 11654971 |
| 5. | Ram Kumar Sharma | Independent Director | B-15/6, 1st Floor, DLF Phase- 1, Sikanderpur Ghosi (68), DIF Qe. Farrukhnagar, Gurgaon, Haryana-122002 | 00862599 |

For further details pertaining to the education qualification and experience of our directors, please refer the chapter titled **"*Our Management*"** beginning on Page no. 184 of this Draft Red Herring Prospectus.

## INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or Post-Issue 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 Issue-related queries and for redressal of complaints, investors may also write to the BRLM. All Issue related grievances, other than that of Anchor Investors may be addressed to the Registrar to the Issue 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 Issue.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. All Issue-related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. The 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 Issue. The Registrar to the Issue shall obtain the

required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

## DETAILS OF KEY MARKET INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

| BOOK RUNNING LEAD MANAGER OF THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|
| **FINAAX CAPITAL ADVISORS PRIVATE LIMITED;**<br>**SEBI Registration Number:** INM000013244;<br>**Registered Office:** 618, East Wing, Venus Stratum, Near Jhansi Ki Rani, Nehrunagar, Ahmedabad – 380015, Gujarat, India;<br>**Contact No:** +91 94295 50695/ 95375 94321<br>**Email Id:** info@finaaxcapital.com<br>**Investors Grievance Id:** investors@finaaxcapital.com<br>**Website:** www.finaaxcapital.com<br>**Contact Person:** Mr. Ikshit Shah / Mr. Yash Doshi<br>**CIN:** U64990GJ2023PTC147118 | **KFIN TECHNOLOGIES LIMITED;**<br>**Address:** 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai – 400070, Maharashtra.<br>**Tel No.:** +91 40 6716 2222<br>**Email Id:** autorecycling.ipo@kfintech.com<br>**Investor Grievance Email:** einward.ris@kfintech.com<br>**Website:** www.kfintech.com;<br>**Contact Person:** M Murali Krishna<br>**SEBI Registration No.:** INR000000221;<br>**CIN:** L72400MH2017PLC444072 |
| **STATUTORY AND PEER REVIEW AUDITOR OF THE COMPANY** | **LEGAL ADVISOR TO THE ISSUE** |
| **M/s M PARASHAR & CO.**<br>**Address:** B-326, 3rd Floor, Laxmi Business Park, New Link Road, Andheri (West), Mumbai- 400053, Maharashtra, India.<br>**Telephone:** + 91 7229959406<br>**Email:** mparasharco@outlook.com<br>**Contact Person:** Amit Parashar<br>**Membership No.:** 430317<br>**Peer Review No.:** 015327<br>**Firm Registration No:** 110954C | **Legacy Law Offices LLP**<br>**Address:** Legacy House, D-18, Nehru Enclave, Kalkaji New Delhi – 110019, India.<br>**Tel. No:** +91-99881 98262<br>**Website:** www.legacylawoffices.com<br>**Email Id:** anand@legacylawoffices.com<br>**Contact Person:** Advocate Gagan Anand |
| **BANKERS TO THE COMPANY** | **BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK BANKERS TO THE COMPANY** |
| **Kotak Mahindra Bank Limited**<br>Address: 27BKC, C-27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.<br>**Telephone:** +91 8655657363<br>**E.mail:** Sushant.kumar3@kotak.com<br>**Contact Person:** Sushant Kumar | [●] |
| **SYNDICATE MEMBER** | |
| [●] | |

## DESIGNATED INTERMEDIARIES

**Self-Certified Syndicate Banks**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided onwww.sebi.gov.in/pmd/scsb.pdf For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time

to time.

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yesandintmId=40. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

## BROKERS TO THE ISSUE

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 TO ISSUE AND SHARE TRANSFER AGENTS

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10 as updated from time to time.

## COLLECTING DEPOSITORY PARTICIPANTS

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19 for NSDL CDPs and at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18 for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

## STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES OF THE BOOK RUNNING LEAD MANAGERS

Since Finaax Capital Advisors Private Limited is the sole Book Running Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

## CREDIT RATING

As this is an issue of Equity Shares, there is no credit rating for this Issue.

## IPO GRADING

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations and amendments thereto, there is no requirement of appointing an IPO Grading agency.

## GREEN SHOE OPTION

No Green Shoe Option is applicable for this Issue.

## FILING OF DRAFT RED HERRING PROSPECTUS / PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

The Draft Red Herring Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai -400001, Maharashtra.

The Draft Red Herring Prospectus filed with BSE will be made public for comments, if any, for a period of at least twenty one days from the date of filing the Draft Red Herring Prospectus, by hosting it on our Company's website www.arsgreen.com BSE website www.bseindia.com and Book Running Lead Manager's website www.finaaxcapital.com.

Our Company shall, within two working days of filing the Draft Red Herring Prospectus with BSE, make a public announcement in all editions of [●] (a widely circulated English national daily newspaper), and all editions of [●] (a widely circulated Hindi national daily newspaper) and all editions of the [●], a regional newspaper (Hindi being the regional language of Delhi, where our Registered Office is located), disclosing the fact of filing of the Draft Red Herring Prospectus

with BSE and inviting the public to provide their comments to the BSE, our Company or the Book Running Lead Manager in respect of the disclosures made in this Draft Red Herring Prospectus.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations and amendments thereto and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 26 & 32 of the Companies Act, 2013, will be delivered to the Registrar of Companies, Delhi-II through the electronic portal at http://www.mca.gov.in, at least (3) three working days prior from the date of opening of the issue.

## CHANGE IN AUDITORS

Except as stated below, there has been no Change in the Auditors of our Company during the last three years:

| Particulars | Appointment/Resignation | Date of Appointment/Resignation | Reason for change |
|---|---|---|---|
| **M/s. M Parashar & Co., Chartered Accountants**<br>**Address:** B-326, 3rd Floor, Laxmi Business Park, New Link Road, Andheri (West), Mumbai-400053<br>**Tel. No.:** +91-72299 59406<br>**Email Id:** mparasharco@outlook.com<br>**Membership No.:** 430317<br>**Firm Registration No:** 110954C | Appointment | April 20, 2026 | Appointment as Statutory Auditor to fill the casual vacancy. |
| **M/s. Ashok Jha & Co., Chartered Accountants**<br>**Address:** H. No 5, Sector 21 D, Faridabad, Haryana-121001<br>**Tel. No.:** 0129-4022205<br>**Email Id:** ashokkjha05@gmail.com<br>**Membership No.:** 094150<br>**Firm Registration No:** 036917N | Resignation | March 25, 2026 | Resignation of auditor due to professional and administration reasons. |
| **M/s. Ashok Jha & Co., Chartered Accountants**<br>**Address:** H. No 5, Sector 21 D, Faridabad, Haryana-121001<br>**Tel. No.:** 0129-4022205<br>**Email Id:** ashokkjha05@gmail.com<br>**Membership No.:** 094150<br>**Firm Registration No:**036917N | Appointment | September 12, 2025 | Re-appointment as Statutory Auditor in the Annual General Meeting for a period of 5 years from the conclusion of Annual General Meeting held for the Financial Year 2024-25 till the Annual General Meeting held for the Financial Year 2029-30. |

## TRUSTEES

As this is an issue of Equity Shares, the appointment of Trustees is not required.

## APPRAISAL AND MONITORING AGENCY

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 5,000 Lakh. As the size of the Issue exceeds ₹ 5,000 Lakh, our Company has appointed [●] as the Monitoring Agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 262 of the SEBI ICDR Regulations. For details in relation to the proposed utilisation of the Net Proceeds, see "***Objects of the Issue***" on page no. 76 of this Draft Red Herring Prospectus.

## BOOK BUILDING PROCESS

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager (BRLM) in accordance with the Book Building Process and advertised it in all editions of the English national newspaper, all editions of Hindi national newspaper and in Regional newspaper, where our registered office is situated at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date.

Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Finaax Capital Advisors Private Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with BSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Issue; and
- The Designated Intermediaries and Sponsor Bank.

The SEBI ICDR Regulations have the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The SEBI ICDR Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025, permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non- Institutional Portion. Subject to the availability of shares in non-institutional investors' category the, allotment to each Non-Institutional Investors shall not be less than the minimum application size in 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 of the SEBI ICDR Regulations 2018 read with SEBI ICDR (Amendment) Regulations, 2025. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Individual Investors Portion where allotment to each Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Individual Investors Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill - over from any other category or a combination of categories at the discretion of

our Company in consultation with the BRLM and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled ***"Issue Procedure"*** beginning on page no. 310 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see chapter entitled ***"Issue Procedure"*** beginning on page no. 310 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20/- to ₹24/- per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|---|---|---|---|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e.,₹ 22/- in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22/-. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see chapter titled ***"Issue Procedure"*** beginning on page no. 310 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

Bid/Issue Program:

| Event | Indicative Dates |
|---|---|
| Bid/Issue Opening Date | [●][1] |
| Bid/Issue Closing Date | [●][2] |

| | |
|---|---|
| Finalization of Basis of Allotment with the Designated Stock Exchange (T+1) | On or before [●] |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2) | On or before [●] |
| Credit of Equity Shares to Demat accounts of Allottees (T+2) | On or before [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange (T+3) | On or before [●] |

1. *The Anchor Investor Bid/Issue Period shall be opened one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations;*

2. *UPI mandate end time and date shall be at 5:00 pm IST on Bid/ Issue Closing Date, i.e. [●].*

The above timetable is indicative and does not constitute any obligation on our Company or the BRLM. 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 Exchange are taken within 3 (Three) Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for Individual and other Bidders. The time for applying for Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and BSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM are liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement has been entered on [●], 2026. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Details of the Underwriter | No. of shares underwritten* | Amount Underwritten (₹ in Lakh) | % of the total Issue Size Underwritten |
|---|---|---|---|
| [●] | Upto [●] | [●] | 100.00 |
| Total | Upto [●] | [●] | 100.00 |

**Includes [●] Equity shares of ₹10/- each for cash of ₹[●]/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.*

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above - mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager have entered into an agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making:

| | |
|---|---|
| **Name** | [●] |
| **Address** | [●] |
| **Telephone No.** | [●] |
| **Email id** | [●] |
| **Website** | [●] |
| **Contact Person** | [●] |
| **Market Maker Registration No.** | [●] |

In accordance with Regulation 261 of the SEBI ICDR Regulations and amendments thereto, we shall enter into an agreement with the Lead Manager and the Market Maker (duly registered with BSE to fulfil the obligations of Market Making) dated [●], 2026 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue.

[●] registered with BSE SME will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the BSE and SEBI in this regard from time to time.

Following is a summary of the key details pertaining to the proposed Market Making arrangement:

1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).

2) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the BSE Limited (SME Platform of BSE) and SEBI from time to time.

3) The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

4) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform of BSE Limited (in this case currently the minimum trading lot size is [●] equity shares of face value of ₹[●] each; however, the same may be changed by the SME Platform of BSE from time to time.

5) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

   After a period of 3 (three) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the [●] Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.

6) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.

7) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

8) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on issue price.

9) The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.

10) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

11) The Market Maker(s) shall have the right to terminate said arrangement by giving a one months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement duringthe term of the notice period being served by the Market Maker but prior to the date of releasing the existing MarketMaker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at thatparticular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

12) **Risk containment measures and monitoring for Market Makers**: SME Platform of BSE Limited will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin,Special Margins and Base Minimum Capital etc. [●] can impose any other margins as deemed necessary from time-to-time.

13) **Punitive Action in case of default by Market Makers**: [●] will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker; in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

14) The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

15) The prices quoted by the Market Maker shall be in compliance with the requirements and other particulars as specified by the SME Platform of BSE and SEBI from time to time.

16) The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE Limited i.e. BSE SME from time to time.

17) The shares of the company will be traded in continuous trading session from the time and day the company gets listed on BSE SME and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.

18) **Price Band and Spreads**: The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:

i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shallbe 5% of the issue price.

iii. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

The following spread will be applicable on the SME platform.

| Sr. No. | Market Price Slab (in ₹) | Proposed Spread (in % to sale price) |
|---|---|---|
| 1 | Up to 50 | 9 |
| 2 | 50 to 75 | 8 |
| 3 | 75 to 100 | 6 |
| 4 | Above 100 | 5 |

*All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.*

19) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

| Issue Size | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size) |
|---|---|---|
| Up to ₹ 20 Crore | 25% | 24% |
| ₹ 20 Crore To ₹ 50 Crore | 20% | 19% |
| ₹ 50 Crore To ₹ 80 Crore | 15% | 14% |
| Above ₹ 80 Crore | 12% | 11% |

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/BSE from time to time.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserve the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board of Directors' meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) working days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue.

The Lead Manager, through the Registrar to the Issue, shall notify the SCSBs (in case of individual investors using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants, within one (1) day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from SME Platform of BSE Limited, which our Company shall apply for after Allotment. If our Company\withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

## SECTION V - CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the issue and after giving effect to the issue, as on the date of filing of the Draft Red Herring Prospectus, is set forth below:

**(₹ In Lakh except per share amount)**

| Sr. No. | Particulars | | Aggregate Nominal value | Aggregate value at issue price |
|---|---|---|---|---|
| 1. | **Authorized Share Capital**<br>2,30,00,000 Equity Shares of face value of ₹ 10/- each | | 2300.00 | [●] |
| 2. | **Issued, Subscribed and Paid-Up Equity Share Capital before the Issue**<br>1,60,00,000 Equity Shares of face value of ₹ 10/- each | | 1600.00 | [●] |
| 3. | **Present Issue in terms of the Draft Red Herring Prospectus** | | | |
| | Issue of upto 69,00,000 Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share. | | 690.00 | [●] |
| | **Which comprises of** | | | |
| | **Reservation for Market Maker Portion**<br>[●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share reserved as Market Maker Portion | | [●] | [●] |
| | **Net Issue to Public**<br>Net Issue to Public of [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●] per Equity Share to the Public | | [●] | [●] |
| | **Net Issue* to Public consists of** | | [●] | [●] |
| | At least [●] Equity Shares of face value of ₹10/- each aggregating upto ₹[●] lakhs will be available for allocation to Individual Investors | | [●] | [●] |
| | At least [●] Equity Shares of face value of ₹10/- each aggregating upto ₹[●] lakhs will be available for allocation to Non-Institutional Investors | | [●] | [●] |
| | ***Of Which:*** | | | |
| | One-third of the Non-Institutional Portion reserved for applicants with an application size of more than two lots and not more than ₹ 1,000 Thousands | | [●] | [●] |
| | Two-third of the Non-Institutional Portion reserved for applicants with an application size of more than ₹1,000 Thousands | | [●] | [●] |
| | Not more than [●] Equity Shares of face value of ₹10 each aggregating upto ₹[●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds. | | [●] | [●] |
| 4. | **Issued, Subscribed and Paid-Up Capital After the Issue**[#]<br>Upto [●] Equity Shares of face value of ₹10 each. | | [●] | [●] |
| 5. | **Securities Premium Account** | Before the Issue | Nil | |
| | | After the Issue | [●] | |

* For detailed information on the Net Issue and its allocation various categories, please refer chapter titled **"*The Issue*"** beginning on Page no. 41 of this Draft Red Herring Prospectus.

[#] To be updated upon finalization of Issue Price and subject to finalisation of Basis of Allotment.

The Present Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on July 4, 2026, and by the shareholders of our Company vide a special resolution passed at the Extraordinary General Meeting held on July 7, 2026.

### CLASS OF SHARES

The company has only one class of shares i.e. Equity shares of ₹ 10/- each only and all Equity Shares are ranked pari-passu in all respect. All Equity Shares issued are fully paid-up as on date of the Draft Red Herring Prospectus.

Our Company does not have any partly paid-up equity shares as on the date of this Draft Red Herring Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

## NOTES TO THE CAPITAL STRUCTURE:

### 1. Changes in the Authorized Equity Share Capital of our Company:

Since Incorporation of our Company, the Authorized Equity Share Capital of our Company has been changed in the manner set forth below:

| Sr. No. | Particulars of Increase | Cumulative No. of Equity Shares | Cumulative Authorized Equity Share Capital ( ₹ in Lakh) | Date of Meeting | Whether AGM/ EGM |
|---|---|---|---|---|---|
| 1. | On incorporation Authorized Equity Share Capital of our Company was ₹ 1.00 Lakhs divided into 10,000 Equity Shares of ₹ 10/- each | 10,000 | 1.00 | N.A. | N.A. |
| 2. | Increase in Authorized Equity Share Capital from ₹ 1.00 Lakhs divided into 10,000 Equity Shares of ₹ 10/- each to ₹ 600.00 Lakh divided into 60,00,000 Equity Shares of ₹ 10/- each | 60,00,000 | 600.00 | January 4, 2021 | EGM |
| 3. | Increase in Authorized Equity Share Capital from ₹ 600.00 Lakh divided into 60,00,000 Equity Shares of ₹ 10/- each to ₹ 800.00 Lakh divided into 80,00,000 Equity Shares of ₹ 10/- each | 80,00,000 | 800.00 | February 7, 2023 | EGM |
| 4. | Increase in Authorized Equity Share Capital from ₹ 800.00 Lakh divided into 80,00,000 Equity Shares of ₹ 10/- each to ₹ 2300.00 Lakh divided into 2,30,00,000 Equity Shares of ₹ 10/- each | 2,30,00,000 | 2300.00 | June 18, 2026 | EGM |

### 2. History of Paid-up Share Capital:

Our existing Paid-up Equity Share Capital has been subscribed and allotted in the manner set forth below:

| Date of allotment | Nature of allotment | No. of Equity Shares allotted | Face value (In ₹) | Issue price (In ₹) | Nature of consideration | Cumulative Number of Equity Shares | Cumulative Paid-up share Capital (₹ in Lakh) | Cumulative Share Premium (In ₹ Lakhs) |
|---|---|---|---|---|---|---|---|---|
| December 24, 2020 (On Incorporation) | Subscription to Memorandum of Association (1) | 10,000 | 10.00 | 10.00 | Cash | 10,000 | 1.00 | Nil |
| January 30, 2021 | Right Issue (2) | 32,00,000 | 10.00 | 10.00 | Cash | 32,10,000 | 321.00 | Nil |

| Date of allotment | Nature of allotment | No. of Equity Shares allotted | Face value (In ₹) | Issue price (In ₹) | Nature of consideration | Cumulative Number of Equity Shares | Cumulative Paid-up share Capital (₹ in Lakh) | Cumulative Share Premium (In ₹ Lakhs) |
|---|---|---|---|---|---|---|---|---|
| July 19, 2021 | Right Issue [3] | 5,54,119 | 10.00 | 10.00 | Cash | 37,64,119 | 376.41 | Nil |
| May 13, 2022 | Right Issue [4] | 3,22,000 | 10.00 | 10.00 | Cash | 40,86,119 | 408.61 | Nil |
| June 20, 2022 | Right Issue [5] | 2,73,250 | 10.00 | 10.00 | Cash | 43,59,369 | 435.94 | Nil |
| July 30, 2022 | Right Issue [6] | 2,70,500 | 10.00 | 10.00 | Cash | 46,29,869 | 462.99 | Nil |
| September 15, 2022 | Right Issue [7] | 3,15,446 | 10.00 | 10.00 | Cash | 49,45,315 | 494.53 | Nil |
| November 3, 2022 | Right Issue [8] | 10,52,548 | 10.00 | 10.00 | Cash | 59,97,863 | 599.79 | Nil |
| April 30, 2023 | Right Issue [9] | 8,06,200 | 10.00 | 10.00 | Cash | 68,04,063 | 680.41 | Nil |
| June 7, 2023 | Right Issue [10] | 5,84,475 | 10.00 | 10.00 | Cash | 73,88,538 | 738.85 | Nil |
| July 7, 2023 | Conversion of Loan to Equity [11] | 6,11,462 | 10.00 | 10.00 | Cash | 80,00,000 | 800.00 | Nil |
| August 25, 2026 | Bonus Issue [12] | 80,00,000 | 10.00 | Nil | Other than cash | 1,60,00,000 | 1,600.00 | Nil |

[1] The details of allotment of 10,000 Fully Paid-up Equity Shares made to the subscribers to the Memorandum of Association, are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 9,100 | 10.00 | 10.00 |
| 2. | Sarthak Malhotra | 450 | 10.00 | 10.00 |
| 3. | Ranjana Malhotra | 450 | 10.00 | 10.00 |
| **Total** | | **10,000** | - | - |

[2] The details of allotment of 32,00,000 Equity Shares made on January 30, 2021, under Right Issue at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 30,50,000 | 10.00 | 10.00 |
| 2. | Sarthak Malhotra | 1,50,000 | 10.00 | 10.00 |
| **Total** | | **32,00,000** | - | - |

[3] The details of allotment of 5,54,119 Equity Shares made on July 19, 2021, under Right Issue at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 5,54,119 | 10.00 | 10.00 |
| **Total** | | **5,54,119** | - | - |

[4] The details of allotment of 3,22,000 Equity Shares made on May 13, 2022, under Right Issue at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 3,22,000 | 10.00 | 10.00 |
| **Total** | | **3,22,000** | **-** | **-** |

[5] The details of allotment of 2,73,250 Equity Shares made on June 20, 2022, under Right Issue at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 2,73,250 | 10.00 | 10.00 |
| **Total** | | **2,73,250** | **-** | **-** |

[6] The details of allotment of 2,70,500 Equity Shares made on July 30, 2022, under Right Issue at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 2,70,500 | 10.00 | 10.00 |
| **Total** | | **2,70,500** | **-** | **-** |

[7] The details of allotment of 3,15,446 Equity Shares made on September 15, 2022, under Right Issue at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 2,69,446 | 10.00 | 10.00 |
| 2. | Sarthak Malhotra | 46,000 | 10.00 | 10.00 |
| **Total** | | **3,15,446** | **-** | **-** |

[8] The details of allotment of 10,52,548 Equity Shares made on November 3, 2022, under Right Issue at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 10,52,548 | 10.00 | 10.00 |
| **Total** | | **10,52,548** | **-** | **-** |

[9] The details of allotment of 8,06,200 Equity Shares made on April 30, 2023, under Right Issue at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 8,06,200 | 10.00 | 10.00 |
| **Total** | | **8,06,200** | **-** | **-** |

[10] The details of allotment of 5,84,475 Equity Shares made on June 7, 2023, under Right Issue at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 4,04,475 | 10.00 | 10.00 |
| 2. | Sarthak Malhotra | 1,80,000 | 10.00 | 10.00 |
| **Total** | | **5,84,475** | **-** | **-** |

[11] The details of allotment of 6,11,462 Equity Shares made on July 7, 2023, pursuant to conversion of unsecured loans to equity at an issue price of ₹ 10/- per equity share are as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 6,11,462 | 10.00 | 10.00 |
| **Total** | | **6,11,462** | **-** | **-** |

[12] The details of allotment of 80,00,000 Equity Shares made on August 25, 2026, under Bonus Issue in the ratio of 1:1 i.e., 1 Bonus equity share for every 1 each Equity Share held by shareholders as on August 21, 2026, as follows:

| Sr. No. | Name of Allottee | No. of Equity Shares Allotted | Face Value per share (in ₹) | Issue Price per share (in ₹) |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 76,23,100 | 10.00 | 0.00 |
| 2. | Sarthak Malhotra | 3,76,050 | 10.00 | 0.00 |
| 3. | Ranjana Malhotra | 450 | 10.00 | 0.00 |
| 4. | Prerna Malhotra | 100 | 10.00 | 0.00 |
| 5. | Kanwer Surrinder Malhotra | 100 | 10.00 | 0.00 |
| 6. | Tanya Dhir | 100 | 10.00 | 0.00 |
| 7. | Namit Soni | 100 | 10.00 | 0.00 |
| **Total** | | **80,00,000** | **-** | **-** |

**3.** Except as disclosed in point no. 2 [12] of this chapter, we have not issued any Equity shares for consideration other than Cash or out of revaluation reserves at any point of time since Incorporation except for allotment of 80,00,000 Bonus Equity Shares made on August 25, 2026, in ratio of 1:1 i.e. 1 (One) fully paid-up Equity Shares for every 1 (One) Equity Shares held on August 21, 2026.

**4.** Our Company has not allotted any Equity Shares pursuant to any scheme approved Sections 230 to 234 of the Companies Act, 2013.

**5.** Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

**6.** Our Company has not issued any Equity Shares at a price that may be lower than the Issue Price during a period of one year preceding the date of the Draft Red Herring Prospectus.

**7.** Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

**8.** As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference shares.

**9. Our Shareholding Pattern:**

The Shareholding Pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

**(A). Table I - Summary Statement holding of Equity Shares**

| Sr. No. (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid-up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No of shares Underlying Outstanding | Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) +(X) as a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of (A+B+C) | | | No. (a) | As a % of total | No. (a) | As a % of total | |
| | | | | | | | | Class (eg: X) | Class (eg: Y) | Total | | | | | | | | |
| (A) | Promoter & Promoter Group | 6 | 1,59,99,800 | 0 | 0 | 1,59,99,800 | 100.00 | 1,59,99,800 | 0 | 1,59,99,800 | 100.00 | 0 | 100.00 | 0 | 0 | 0 | 0 | 1,59,99,800 |
| (B) | Public | 1 | 200 | 0 | 0 | 200 | Negligible | 200 | 0 | 200 | Negligible | 0 | Negligible | 0 | 0 | 0 | 0 | 200 |
| (C) | Non-Promoter- Non Public | | | | | | | | | | | | | 0 | 0 | | | |
| (C1) | Shares underlying DRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (C2) | Shares held by Employee Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Total** | **7** | **1,60,00,000** | **0** | **0** | **1,60,00,000** | **100.00** | **1,60,00,000** | **0** | **1,60,00,000** | **100.00** | **0** | **100.00** | 0 | 0 | **0** | **0** | **1,60,00,000** |
| **Note:** | | | | | | | | | | | | | | | | | | |
| 1. | **C=C1+C2** | | | | | | | | | | | | | | | | | |
| 2. | **Grand Total=A+B+C** | | | | | | | | | | | | | | | | | |

**10.** The shareholding pattern of our Promoters and Promoters' Group and Public before and after the Issue:

| Sr. No. | Name of shareholders | Pre issue | | Post issue | |
|---|---|---|---|---|---|
| | | No. of equity shares | As a % of Issued Capital* | No. of equity shares | As a % of Issued Capital * |
| **A. Promoters** | | | | | |
| 1. | Sanjeev Malhotra | 1,52,46,200 | 95.29 | 1,52,46,200 | [●] |
| 2. | Sarthak Malhotra | 7,52,100 | 4.70 | 7,52,100 | [●] |
| | **Total - A** | **1,59,98,300** | **99.99** | **1,59,98,300** | [●] |
| **B. Promoters' Group** | | | | | |
| 1. | Ranjana Malhotra | 900 | 0.01 | 900 | [●] |
| 2. | Prerna Malhotra | 200 | Negligible | 200 | [●] |
| 3. | Kanwer Surrinder Malhotra | 200 | Negligible | 200 | [●] |
| 4. | Tanya Dhir | 200 | Negligible | 200 | [●] |
| | **Total - B** | **1,500** | **0.01** | **1,500** | [●] |
| **C. Top 10 Shareholders (other than A & B above)** | | | | | |
| 1. | Namit Soni | 200 | Negligible | 200 | [●] |
| | **Total - C** | **200** | **Negligible** | **200** | [●] |
| **D. Public** | | | | | |
| 1. | Others-Public | 0 | 0.00 | **[●]**** | **[●]** |
| | **Total-D** | **0** | **0.00** | **[●]** | **[●]** |
| | **Total Promoters and Promoters' Group and Public (A+B+C+D)** | **1,60,00,000** | **100.00** | **[●]** | **[●]** |

** Rounded off*

*** [●] to be allotted to Public Shareholders under Initial Public Offer.*

**11. Details of Major Shareholders:**

**(A) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of the Draft Red Herring Prospectus:**

| Sr. No. | Name of shareholders | No. of Equity Shares held* | % of Pre-issue paid up Capital**# |
|---|---|---|---|
| 1. | Sanjeev Malhotra | 1,52,46,200 | 95.29 |
| 2. | Sarthak Malhotra | 7,52,100 | 4.70 |
| | **Total** | **1,59,98,300** | **99.99** |

** The Company has not issued any convertible instruments like warrants, debentures, etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.*

*** Rounded off*

*# the % has been calculated based on existing (pre-issue) paid up capital of the Company.*

**(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:**

| Sr. No. | Name of shareholders | No. of Equity Shares held* | % of Pre-issue paid up Capital**# |
|---|---|---|---|
| 1. | Sanjeev Malhotra | 1,52,46,200 | 95.29 |
| 2. | Sarthak Malhotra | 7,52,100 | 4.70 |

| Sr. No. | Name of shareholders | No. of Equity Shares held* | % of Pre-issue paid up Capital**# |
|---|---|---|---|
| **Total** | | **1,59,98,300** | **99.99** |

** The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.*

*** Rounded off*

*# the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.*

**(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on One year prior to the date of the Draft Red Herring Prospectus:**

| Sr. No. | Name of shareholders | No. of Equity Shares held* | % of Pre-issue paid up Capital**# |
|---|---|---|---|
| 1. | Sanjeev Malhotra | 1,52,46,200 | 95.29 |
| 2. | Sarthak Malhotra | 7,52,100 | 4.70 |
| **Total** | | **1,59,98,300** | **99.99** |

** The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.*

*** Rounded off*

*# the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.*

**(D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on Two years prior to the date of the Draft Red Herring Prospectus:**

| Sr. No. | Name of shareholders | No. of Equity Shares held* | % of Pre-issue paid up Capital**# |
|---|---|---|---|
| 1. | Sanjeev Malhotra | 76,23,100 | 95.29 |
| 2. | Sarthak Malhotra | 3,76,450 | 4.71 |
| **Total** | | **79,99,550** | **100.00** |

** The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Draft Red Herring Prospectus.*

*** Rounded off*

*# the % has been calculated based on existing (pre-issue) Paid up Capital of the Company.*

**12.** There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, and right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or refund of application monies in pursuance of the Draft Red Herring Prospectus.

As on the date of filing the Draft Red Herring Prospectus, our Company does not have any such plan for altering the capital structure by way of split or consolidation of the denomination of the shares, or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement. Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or for any other purpose, as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

**13. Shareholding of the Promoters of our Company:**

As on the date of the Draft Red Herring Prospectus, our Promoters – Sanjeev Malhotra and Sarthak Malhotra holds total 1,59,98,300 Equity Shares representing 99.99% of the pre-issue paid up equity share capital of our Company. The build-up of equity shareholding of Promoters of our Company are as follows:

| Sanjeev Malhotra | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Date of Allotment / Transfer** | **Nature of Issue Allotment / Transfer** | **Number of Equity shares** | **Cumulative No. of Equity Shares** | **Face Value (in ₹) per share** | **Issue/ Transfer Price (in ₹) per share** | **Total Consideration Paid/Received (in ₹)** | **% of Pre Issue Capital** | **% of post issue Capital** |
| December 24, 2020 | Subscriber to MOA | 9,100 | 9,100 | 10.00 | 10.00 | 91,000 | 0.06 | [●] |
| January 30, 2021 | Right Issue | 30,50,000 | 30,59,100 | 10.00 | 10.00 | 3,05,00,000 | 19.06 | [●] |
| July 19, 2021 | Right Issue | 5,54,119 | 36,13,219 | 10.00 | 10.00 | 55,41,190 | 3.46 | [●] |
| May 13, 2022 | Right Issue | 3,22,000 | 39,35,219 | 10.00 | 10.00 | 32,20,000 | 2.01 | [●] |
| June 20, 2022 | Right Issue | 2,73,250 | 42,08,469 | 10.00 | 10.00 | 27,32,500 | 1.71 | [●] |
| July 30, 2022 | Right Issue | 2,70,500 | 44,78,969 | 10.00 | 10.00 | 27,05,000 | 1.69 | [●] |
| September 15, 2022 | Right Issue | 2,69,446 | 47,48,415 | 10.00 | 10.00 | 26,94,460 | 1.68 | [●] |
| November 3, 2022 | Right Issue | 10,52,548 | 58,00,963 | 10.00 | 10.00 | 1,05,25,480 | 6.58 | [●] |
| April 30, 2023 | Right Issue | 8,06,200 | 66,07,163 | 10.00 | 10.00 | 80,62,000 | 5.04 | [●] |
| June 7, 2023 | Right Issue | 4,04,475 | 70,11,638 | 10.00 | 10.00 | 40,44,750 | 2.53 | [●] |
| July 7, 2023 | Conversion of Loans to Equity | 6,11,462 | 76,23,100 | 10.00 | 10.00 | 61,14,620 | 3.82 | [●] |
| August 25, 2026 | Bonus Issue | 76,23,100 | 1,52,46,200 | **10.00** | NA | NA | 47.64 | [●] |
| | **Total** | **1,52,46,200** | | | | **7,62,31,000** | **95.29** | [●] |

| Sarthak Malhotra | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Date of Allotment / Transfer** | **Nature of Issue Allotment / Transfer** | **Number of Equity shares** | **Cumulative No. of Equity Shares** | **Face Value (in ₹) per share** | **Issue/ Transfer Price (in ₹) per share** | **Total Consideration Paid/Received (in ₹)** | **% of Pre-Issue Capital** | **% of Post - Issue Capital** |
| December 24, 2020 | Subscriber to MOA | 450 | 450 | 10.00 | 10.00 | 4,500 | 0.00 | [●] |
| January 30, 2021 | Right Issue | 1,50,000 | 1,50,450 | 10.00 | 10.00 | 15,00,000 | 0.94 | [●] |
| September 15, 2022 | Right Issue | 46,000 | 1,96,450 | 10.00 | 10.00 | 4,60,000 | 0.29 | [●] |
| June 7, 2023 | Right Issue | 1,80,000 | 3,76,450 | 10.00 | 10.00 | 18,00,000 | 1.13 | [●] |
| April 1, 2026 | Transfer to Prerna Malhotra | (100) | 3,76,350 | 10.00 | 25.00 | (2,500) | Negligible | [●] |

| Sarthak Malhotra | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Date of Allotment / Transfer** | **Nature of Issue Allotment / Transfer** | **Number of Equity shares** | **Cumulative No. of Equity Shares** | **Face Value (in ₹) per share** | **Issue/ Transfer Price (in ₹) per share** | **Total Consideration Paid/Received (in ₹)** | **% of Pre-Issue Capital** | **% of Post - Issue Capital** |
| April 1, 2026 | Transfer to Kanwer Surrinder Malhotra | (100) | 3,76,250 | 10.00 | 25.00 | (2,500) | Negligible | [●] |
| April 1, 2026 | Transfer to Tanya Dhir | (100) | 3,76,150 | 10.00 | 25.00 | (2,500) | Negligible | [●] |
| April 1, 2026 | Transfer to Namit Soni | (100) | 3,76,050 | 10.00 | 25.00 | (2,500) | Negligible | [●] |
| August 25, 2026 | Bonus Issue | 3,76,050 | 7,52,100 | 10.00 | NA | NA | 2.35 | [●] |
| | **Total** | **7,52,100** | | | | **37,54,500** | **4.70** | **[●]** |

**Note:** None of the Shares has been pledged by our Promoters.

**14.** The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

| Sr. No. | Name of Promoters | No. of Equity Shares held | Average Cost of Acquisition per equity share (in ₹)*#$ |
|---|---|---|---|
| 1. | Sanjeev Malhotra | 1,52,46,200 | 5.00 |
| 2. | Sarthak Malhotra | 7,52,100 | 4.99 |

**The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them as reduced by amount received on sell of shares i.e. net of sale consideration is divided by net quantity of shares acquired.*

*# Rounded Off*

*$ Based on Certificate issued by Statutory and Peer Review Auditor, M/s M Parashar & Co, Chartered Accountants, vide their certificate dated September 23, 2026.*

**15.** We have 7 (Seven) shareholders as on the date of filing of the Draft Red Herring Prospectus.

**16.** As on the date of the Draft Red Herring Prospectus, our Promoters and Promoters' Group hold total 1,59,99,800 Equity Shares representing 100.00 % of the pre-issue paid up share capital of our Company.

**17.** Except as disclosed below there were no shares purchased/sold by the Promoter(s) and Promoter Group, directors of our Company and their relatives during last six months from the date of filing of this Draft Red Herring Prospectus:

| Date of transfer | Name of transferor | Name of transferee | No. of Equity Shares transferred | Transfer price per Equity Share (in ₹) |
|---|---|---|---|---|
| 1. | Sarthak Malhotra | Prerna Malhotra | 100 | 25.00 |
| 2. | Sarthak Malhotra | Kanwer Surrinder Malhotra | 100 | 25.00 |
| 3. | Sarthak Malhotra | Tanya Dhir | 100 | 25.00 |
| 4. | Sarthak Malhotra | Namit Soni | 100 | 25.00 |

**18.** The members of the Promoters' Group, our directors and the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Red Herring Prospectus.

**19. Details of Promoter's Contribution locked in for three years:**

Our Promoters have given written consent to include [●] Equity Shares subscribed and held by them as a part of Minimum Promoters' Contribution constituting 20.00% of the post issue Paid-up Equity Shares Capital of our Company ("Minimum Promoters' contribution") in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and

have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution, and to be marked Minimum Promoters' Contribution as locked-in.- **Noted for compliance.**

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

***Explanation:*** *The expression "date of commencement of commercial production" means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilized as stated in the offer document, is expected to commence.*

We further confirm that Minimum Promoters' Contribution of 20.00% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund.

The Minimum Promoters' Contribution has been brought into to the extent of not less than the 20.00% of the Post Issue Capital and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of Minimum Promoters' Contribution are as follows:

| [●] | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Date of Allotment / Transfer** | **Date when Fully Paid-up** | **Nature of Issue/ Allotment / Transfer** | **Number of Equity shares** | **Face Value (in ₹) per share** | **Issue/ Transfer Price (in ₹) per share** | **Source of Contribution** | **% of Pre issue Capital** | **% of post issue Capital** | **Date up to which Equity Shares are subject to Lock-in** |
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| | | **Total** | [●] | | | | [●] | [●] | |

All the Equity Shares held by the Promoters / members of the Promoters' Group are in already dematerialized as on date of this Draft Red Herring Prospectus. – **Noted for Compliance**

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20.00% of the Post Issue Capital of our Company as mentioned above does not consist of;

- Equity Shares acquired during the preceding three years for;
- consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction;
- resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the company or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- The Equity Shares held by the Promoters and offered for Minimum Promoters' contribution which are subject to any pledge with any creditor;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Initial Public offer;
- As per Regulation 237 (1) if the Shares are issued to the promoters during the preceding One Year at a price less than the Price at which specified securities are being offer to the public in initial public offer is ineligible for minimum promoters' contribution.
- However as per clause (c) of sub regulation (1) of Regulation 237 of SEBI (ICDR), 2018 specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: - **Not Applicable**

Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible; **Not Applicable**

**20. Lock in of Equity Shares held by Promoters in excess of Minimum Promoters' contribution:**

Lock in of Equity Shares held by Promoters in excess of minimum promoters' contribution as per Regulation 238 of the SEBI ICDR Regulations and amendments thereto. Pursuant to Regulation 238(b) of the SEBI ICDR (Amendment) Regulations, 2025, the Equity Shares held by our Promoters and promoters' holding in excess of minimum promoters' contribution shall be locked as follows:

a) Fifty percent of promoters' holding in excess of minimum promoters' contribution constituting [●] equity shares shall be locked in for a period of two years from the date of allotment in the initial public offer; and

b) Remaining fifty percent of promoters' holding in excess of minimum promoters' contribution constituting [●] equity shares shall be locked in for a period of one year from the date of allotment in the initial public offer.

**21. Lock in of Equity Shares held by Persons other than the Promoters:**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution as per regulation 238(a) and 238(b) of the SEBI (ICDR) Regulations, 2018, the entire pre-issue equity share capital held by persons other than the promoters constituting [●] Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

**22. Inscription or recording of non-transferability:**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository. – **Not Applicable as all existing Equity Shares are held in dematerialized form.**

**23. Pledge of Locked in Equity Shares:**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following;

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

**24. Transferability of Locked in Equity Shares:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**25.** Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

**26.** As on date of the Draft Red Herring Prospectus, there are no Partly Paid-up Shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

**27.** Neither the Book Running Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Red Herring Prospectus.

**28.** Prior to this Initial Public Offer, our Company has not made any public issue or right issue to public at large.

**29.** There are no safety net arrangements for this public issue.

**30.** As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.

**31.** As per RBI regulations, OCBs are not allowed to participate in this offer.

**32.** Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

**33.** There are no Equity Shares against which depository receipts have been issued.

**34.** As on date of the Draft Red Herring Prospectus, other than the Equity Shares, there is no other class of securities issued by our Company.

**35.** Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.

**36.** An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.

**37.** Since present issue is a Book Built Issue, the allocation in the net issue to the public category in terms of Regulation 253(1) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:

(a). not less than thirty-five per cent to Individual Investors who applies for minimum application size; and

(b). not less than fifteen per cent to Non-Institutional Investors;

(c). not more than fifty per cent to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds:

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

Provided further that in addition to five per cent allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

**38.** No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the issue to any person for making an application in the Initial Public Offer, except for fees or commission for services rendered in relation to the issue.

**39.** Our Promoters and the members of our Promoters' Group will not participate in this offer.

**40.** Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoters' Group between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

**41.** Except as stated below, none of our other Directors or Key Managerial Personnel or Senior Management holds Equity Shares in our Company.

| Sr. No. | Name | Designation | No. of Equity Shares held | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---|---|---|---|---|---|
| 1. | Sanjeev Malhotra | Chairman and Managing Director | 1,52,46,200 | 95.29 | [●] |
| 2. | Sarthak Malhotra | Whole-Time Director | 7,52,100 | 4.70 | [●] |

| Sr. No. | Name | Designation | No. of Equity Shares held | % of Pre Issue Equity Share Capital | % of Post Issue Equity Share Capital |
|---|---|---|---|---|---|
| 3. | Ranjana Malhotra | Non-Executive Director | 900 | 0.01 | [●] |

## SECTION - VII – PARTICULARS OF THE ISSUE

## OBJECTS OF THE ISSUE

The Issue comprises of entirely a fresh Issue of upto 69,00,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

### FRESH ISSUE

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

1. Funding Capital Expenditure towards Purchase of Plant and Machineries
2. Funding for Capital Expenditure towards a Pre-Engineered Building for an Industrial Shed
3. Funding Working Capital Requirements
4. General Corporate Purposes

*(Collectively referred as the "objects")*

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the BSE SME. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company in the Fresh Issue. The fund requirement and its deployment are based on estimates made by our management and such estimates have not been subjected to appraisal by any bank or financial institution.

### NET PROCEEDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the "Net Proceeds").

**Subject to finalization of basis of allotment*

### COST OF PROJECT

Details of Cost of Project: -

| Sr. No. | Particulars | Amount (₹ in lakhs) |
|---|---|---|
| 1. | Funding Capital Expenditure towards Purchase of Plant and Machineries | 772.37 |
| 2. | Funding for Capital Expenditure towards a Pre-Engineered Building for an Industrial Shed | 103.76 |
| 3. | Funding Working Capital Requirements | 6,350.00 |
| 4. | General Corporate Purposes* | [●]** |
| | **Net Proceeds** | [●]** |

*The amount utilized for General Corporate Purposes will not exceed 15% of the Gross Proceeds from the Issue or ₹ 1,000.00 lakhs, whichever is lower.

** To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

### MEANS OF FINANCE

We intend to finance our Objects of the Issue through Issue Proceeds which are as follows:

**(₹ in Lakhs)**

| Particulars | Amount Required | From IPO Proceeds | Internal Accruals / Equity / Reserves / Balance from Long/Short Term Borrowing |
|---|---|---|---|
| Funding Capital Expenditure towards Purchase of Plant and Machineries | 772.37 | 772.37 | - |
| Funding for Capital Expenditure towards a Pre-Engineered Building for an Industrial Shed | 103.76 | 103.76 | - |

| | | | |
|---|---|---|---|
| Funding Working Capital Requirements* | 14,848.56 | 6350.00 | 8498.56 |
| General Corporate Purposes# | [●] | [●] | [●] |
| **Total** | [●] | [●] | [●] |

**Assuming for the financial year 2027-28.*

*#To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.* The amount utilized for General Corporate Purposes will not exceed 15% of the Gross Proceeds from the Issue or ₹ 1,000.00 lakhs, whichever is lower.

We intend to deploy the Net Proceeds towards the Objects as disclosed in the table above, in accordance with the approval by our Board of Directors dated September 21, 2026, management estimates based on the prevailing market conditions, other commercial and technical factors including interest rates and other charges, quotations received from certain vendors.

Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals).

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors. In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals and/or Debt Arrangement. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management, subject to compliance with applicable laws. For further details on the risks involved in our business plans and executing our business strategies, please see the chapter titled **"Risk Factors"** beginning on page no. 16 of this Draft Red Herring Prospectus.

## UTILIZATION OF NET PROCEEDS

The Net Proceeds are currently expected to be deployed in accordance with the details provided in the table below:

**(₹ in Lakhs)**

| Particulars | Amount | % of Gross issue proceeds** | % of Net issue proceeds** |
|---|---|---|---|
| Funding Capital Expenditure towards Purchase of Plant and Machineries | 772.37 | **[●]** | **[●]** |
| Funding for Capital Expenditure towards a Pre-Engineered Building for an Industrial Shed | 103.76 | **[●]** | **[●]** |
| Funding Working Capital Requirements | 6,350.00 | **[●]** | **[●]** |
| General Corporate Purposes* | **[●]** | **[●]** | **[●]** |
| **Total** | **[●]** | **[●]** | **[●]** |

* The amount utilized for General Corporate Purposes will not exceed 15% of the Gross Proceeds from the Issue or ₹ 1,000.00 lakhs, whichever is lower.

***Subject to finalization of basis of allotment*

## PROPOSED SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF NET PROCEEDS

(₹ in Lakhs)

| Particulars | Amount to be funded from the Net Proceeds | Estimated deployment of the Net Proceeds | |
|---|---|---|---|
| | | FY 2026-27 | FY 2027-28 |
| Funding Capital Expenditure towards Purchase of Plant and Machineries | 772.37 | 772.37 | 0.00 |
| Funding for Capital Expenditure towards a Pre-Engineered Building for an Industrial Shed | 103.76 | 103.76 | 0.00 |
| Funding Working Capital Requirements | 6,350.00 | 2,380.00 | 3,970.00 |
| General Corporate Purposes* | **[●]** | [●] | [●] |
| **Total** | **[●]** | **[●]** | **[●]** |

* The amount utilized for General Corporate Purposes will not exceed 15% of the Gross Proceeds from the Issue or ₹ 1,000.00 lakhs, whichever is lower.

We propose to deploy the entire Net Proceeds towards the Objects of the Issue by the end of the Fiscal 2027 and Fiscal 2028 and in the manner as specified in the table above. However, if the Net Proceeds are not completely utilized for the Objects of the Issue stated above by the end of Fiscal 2027, such amounts will be utilized (in part or full) in the next financial year or subsequent periods towards the aforementioned Objects of the Issue, as determined by us, in accordance with applicable law.

Subject to applicable law, if the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 15% of the Gross Proceeds from the Issue or ₹ 1,000.00 lakhs, whichever is lower in accordance with Regulation of the SEBI (ICDR).

The deployment of funds indicated above is based on management estimates, current circumstances of our business, current and valid quotations from suppliers, prevailing market conditions, which are subject to change, and other commercial and technical factors. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For further details of factors that may affect these estimates, please refer to chapter titled ***"Risk Factors"*** on beginning on page 16 of this Draft Red Herring Prospectus.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Offer. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt arrangement. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. In the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

## DETAILS OF THE OBJECTS OF FRESH ISSUE

Our Company is engaged in the business of manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material. In addition to our manufacturing operations, we are also involved in the trading of aluminium scrap and other non-ferrous scrap materials, as well as the scrap and wastage generated from our manufacturing process. We manufacture

aluminium ingots in various grades, including standard and customized alloys such as ADC 12, ALSI12 Fe, and other customer-specific compositions. Our products are supplied to B2B customers operating in industries such as automotive, electrical, and engineering. Aluminium is widely used metal due to its lightweight, corrosion resistance, conductivity, and recyclability. The secondary aluminium industry, which involves recycling of aluminium scrap, plays a critical role in reducing energy consumption and promoting sustainability. Our operations carried out by our in-house manufacturing facility which is equipped with melting furnaces with controlled temperature systems, alloying and refining capabilities, in-house laboratory for chemical and physical testing, moulding and casting infrastructure, storage and handling facilities for raw material and finished goods. The facility is designed to handle various grades of aluminium scrap and produce ingots with consistent quality. Our Manufacturing unit is located at Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102, India, with an installed capacity of 15,200 MT for processing aluminium scrap. Our in house trained professionals undertake quality checks at various stages of manufacturing, including raw material inspection, in-process monitoring and final testing, to maintain consistency, reliability, compliance across our manufacturing process and to ensure conformity with customer specifications and applicable standards. Our Company has accreditations such as ISO 45001:2018 for occupation health and safety management system and ISO 14001:2015 for environmental management systems. We supply our products domestically in the state of Haryana, Rajasthan, Uttar Pradesh, Delhi, Uttrakhand, Gujarat, Tamilnadu, Karnataka, Punjab, Himachal Pradesh and Madhya Pradesh.

## 1. FUNDING CAPITAL EXPENDITURE TOWARDS PURCHASE OF PLANT & MACHINERIES

Our Company is engaged in the business of manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material. In addition to our manufacturing operations, we are also involved in the trading of aluminium scrap and other non-ferrous scrap materials, as well as the scrap and wastage generated from our manufacturing process. We manufacture aluminium ingots in various grades, including standard and customized alloys such as ADC 12, ALSI12 Fe, and other customer-specific compositions.

As part of our growth strategy and with the objective of enhancing our manufacturing capacity, we propose to increase capacity for manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material at the Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102. In addition to our existing operations, this expansion will enable us to serve our current customers more effectively while also strengthening our ability to meet the requirements of larger customers.

**Details of the Installed Capacity, Utilized Capacity and Expected increase in installed capacity are as below:**

| Particulars** | Unit of Measurement | Existing Installed Capacity (A) | Utilized Capacity in FY 2025-26 | Expected increase in Installed Capacity (B) | Total Installed Capacity after Proposed Expansion (A+B) |
|---|---|---|---|---|---|
| Installed Capacity | In tons per annum | 15,200 | 13,322 | 22,000 | 37,200 |

***As certified by Akhilesh Pandit – Chartered Engineer, by certificate dated September 11, 2026.*

We intend to utilize ₹ 772.37 lakhs from the net proceeds for the funding capital expenditure towards purchase of plant and machinery. This expansion will enable company to increase its installed capacity, improve efficiency that cater to a wider customer base.

**An extract of the quotation pertaining to the purchase of the furnaces is provided below:**

**Name of Supplier:** Industrial Furnace

**Date of Quotation:** July 21, 2026

**Validity of Quotation:** 90 days from the date of the offer

**Date of Placement of Order:** The order has been placed for the 6-Ton Skelner Furnace. Orders for the remaining furnaces will be placed after the issue.

**Expected Date of Supply:** 5-7 weeks from the date of receipt of confirm order

| S. No | Machinery & Equipment Details | Purpose | Qty | Total Cost (₹ in lakhs) |
|---|---|---|---|---|
| 1. | 8 Ton Skelner Furnace Hydraulic Tilting | To melt the Aluminum scrap of various | 2 | 85.42 |

| | | | | |
|---|---|---|---|---|
| | with Base | type and grades like turning, boring, auto casting etc., and alloying elements like Mn, Mg, Si, Cu, Zn etc. Temperature of molten metal will be maintained between 720C – 900C. | | |
| 2. | 6 Ton Skelner Furnace Hydraulic Tilting with Base | | 1 | 35.00 |
| 3. | 220mould Conveyor Swan Type | Used for continuous movement of moulds | 2 | 35.50 |
| 4. | Pollution System (Chimney 1000 X550) 100 Feet Dusting 30 Mtr 600 Dia, Hood As Per furnace, Wetscrubber And Ventury | Used in industrial furnaces to capture and treat dust, fumes and particulate emissions before safe discharge into the atmosphere. | 1 | 19.00 |
| 5. | Shower System For Wet Scrubber (1 Hp Pump & Pipe Line | Used to circulate water for effective removal of dust, fumes, and particulate pollutants from industrial furnace exhaust gases. | 1 | 0.25 |
| 6. | Id Fan With 40 Hp Motor | Used to create controlled suction and efficiently draw dust, fumes, and hot gases through the pollution control system. | 1 | 3.50 |
| 7. | Gas Train 2''for Furnace | Used to regulate, control, and safely supply gas to the furnace burner for efficient and consistent heating during industrial operations. | 1 | 5.00 |
| 8. | Charger | Used to safely and efficiently charge scrap aluminium into the furnace for melting and recycling. | 1 | 10.50 |
| 9. | Erection & Commissioning | - | - | 11.95 |
| **Total Basic Amount** | | | | **206.12** |
| GST@18% | | | | 37.10 |
| **Total Estimated Cost** | | | | **243.22** |
| **Advance Given*** | | | | **33.98** |
| **Balance Amount to be paid** | | | | **209.24** |

* *The fund deployed out of internal accruals towards* funding capital expenditure towards Purchase of Plant and Machineries *and the same will be recouped out of issue proceeds.*

Details of the other plant and machinery to be installed at Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102, India for which orders are yet to be placed –

| S. No | Machinery & Equipment Details | Qty | Total Cost (₹ in lakhs) | Quotations details | Expected period of supply |
|---|---|---|---|---|---|
| 1. | Ball Mill (Hexagonal Shape) Capacity: 700 Kg **Purpose:** Used for grinding and pulverizing aluminium dross, slag, and other solid materials for further processing and metal recovery. | 1 | 4.70 | Quotation dated July 16, 2026, received from Asia Industrial Furnace and is valid for a period of 3 months | 5-7 weeks from the date of receipt of confirm order along with advance payment |
| 2. | Single Drum Magnetic Separator (400 mm*600 mm) **Purpose:** Used to remove ferrous metal contaminants from dross, scrap, and processed materials, improving material purity. | 1 | 4.50 | Quotation dated July 16, 2026, received from Asia Industrial Furnace and is valid for a period of 3 months | 1-2 weeks from the date of receipt of confirm order along with advance payment |

| | | | | | |
|---|---|---|---|---|---|
| 3. | Optical Emission Spectrometer for the analysis of Al based alloys<br>**Purpose:** Used for precise chemical composition analysis of Al-based alloys, ensuring quality and grade compliance. | 1 | 23.00 | Quotation dated August 18, 2026, received from Raman Instruments Pvt Ltd and is valid for a period of 3 months | 3 months from the date of receipt of confirm order |
| 4. | **Lab Equipment**<br>➢ Metallurgical Microscope With 4k Hdmi Camera And Industry Pro Software<br>➢ Digital Rockwell Hardness Tester<br>➢ Automatic Rockwell Hardness Tester<br>➢ Universal Testing Machine 10 KN<br>**Purpose:** Used for testing raw materials, metal, and finished products to ensure quality and process control. | 1 | 9.85 | Quotation dated August 18, 2026, received from Metkorp Equipments Pvt Ltd and is valid for a period of 6 months | 3-4 weeks from the date of receipt of confirm order |
| 5. | Flux Injection Machine (PLC Controlled)<br>**Purpose:** Used for controlled injection of flux into molten aluminium to remove impurities, dross, and unwanted oxides. | 1 | 5.50 | Quotation dated August 19, 2026, received from FS International and is valid for a period of 3 months | 6 weeks from the date of receipt of confirm order |
| 6. | 125 KVA / 100 eKW Silent Diesel Generating Set Powered by Cummins engine model QSB4.5-G2 – with 4-cylinders /161.6 BHP @ 1500 RPM.<br>**Purpose:**To provide reliable backup power for furnaces, machinery, pollution-control systems, and other plant operations. | 1 | 11.55 | Quotation dated July 22, 2026, received from Green Power System and is valid for a period of 90 days. | 10 working days after receiving of 100% payment. |
| 7. | Double Grider Box Type EOT Crane Capacity 15 Ton with Span 17 Meter (Approx.)<br>**Purpose:** For safe and efficient lifting and movement of heavy scrap, molten-metal equipment, and machinery. | 2 | 73.00 | Quotation dated August 19, 2026, received from SGS Technology and is valid for a period of 3 months. | 50-60 days from the date of receipt of confirm order |
| 8. | ACE Electric Forklift – AF50E<br>Capacity: 5 ton<br>Lifting Height – 4.5 mtr<br>Forks – 1070 mm<br>Battery – 80V/700Ah charger included<br>**Purpose:** For safe and efficient handling, lifting, and transportation of scrap, raw materials and finished products, | 4 | 150.40 | Quotation dated August 20, 2026, received from Action Construction Equipment Limited and is valid for a period of 90 days. | 5-6 weeks from the date of receipt of confirm order along with advance payment |

| | | | | | |
|---|---|---|---|---|---|
| | within the plant. | | | | |
| 9. | JCB Telehandler 530-110; 3Ton Payload, 11M Lift; 3Part with Stabilizer - 74HP JCB Eng; 4WD Synchromesh Gear Box; Construction Control; Tilt Cooling Pack, Airconditioned cabin (1 Fan); EHDT Tyres, Work light. **Purpose:** For lifting, loading, and transporting scrap, raw materials, dross, and heavy materials to different processing areas. | 1 | 37.34 | Quotation dated August 20, 2026, received from Pasco Earthmovers LLP and is valid for a period of 3 months. | 2 weeks from the date of receipt of confirm order |
| 10. | Ashok Leyland – N Ecomet 1915 sleeper AC Cabin | 4 | 91.53 | Quotation dated August 24, 2026, received from TVS Vehicle Mobility Solution Private Limited and is valid for a period of 5 months. | 3-4 weeks from the date of full payment realization. |
| | **Total basic amount** | | **411.37** | | |
| | GST@18% | | 74.05 | | |
| | TCS@1% (where applicable) | | 0.44 | | |
| | **Total Estimated Amount** | | **485.86** | | |

Details of solar generating system to be installed at Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102, India for which orders are yet to be placed –

| S. No | Machinery & Equipment Details | Qty | Total Cost (₹ in lakhs) | Quotations details | Expected period of supply |
|---|---|---|---|---|---|
| 1. | 150KWp on grid solar rooftop system | - | 39.75 | Quotation dated August 17, 2026, received from Spectra Televentures Private Limited and is valid for a period of 90 days | Within a period of a maximum of 45 days from the date of placement of order |
| | **Total basic amount** | | **39.75** | | |
| | GST@8.9% | | 3.54 | | |
| | **Total Estimated Amount** | | **43.29** | | |

**Notes:**

a. The total estimated cost is inclusive of Goods and Services Tax (GST).

b. In relation to the GST component proposed to be funded through IPO proceeds, the Company may be eligible for input tax credit (ITC) against GST paid, such credit is available only post payment and subject to compliance with applicable GST laws, timelines, and matching conditions. Accordingly, the initial outflow of GST forms part of the immediate funding requirement for execution of the project. Any ITC availed subsequently shall be utilized in the normal course of business and will contribute to improved working capital efficiency.

c. The Quotation mentioned in this section are valid as on the date of this Draft Red Herring Prospectus.

d. The Quotation have been approved by Board of Directors in their meeting held on September 21, 2026.

e. We hereby confirm that above supplier is not connected to our promoters, promoter group, directors, senior managerial personnel, key managerial personnel and merchant banker.

f. Our promoters, promoter group, directors, senior managerial personnel, key managerial personnel and merchant banker do not have any interest in the purchase of plant & machineries.

g. We confirm that the Company has not procured any equipment or machinery from the said supplier in the past, nor has the Company engaged in any transactions or dealings with this supplier in any manner previously.

h. The quotations relied upon by us in arriving at the above cost are valid for a specific period and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of plant and machineries to be incurred by us at the actual time of expense, resulting in increase in the estimated cost, such additional cost shall be incurred from our internal accruals. This includes financing the cost of purchase of plant and machineries which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.

i. We have not entered into any definitive agreements with the above supplier and there can be no assurance that the same supplier would be engaged at the time of actual expenses.

j. The above cost is based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of supplier or any modification/addition/deletion of plant and machineries, in the best interest of the company) at the time of actual expenses. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual expenses, to meet the cost of such other expenses, as required.

k. We are not acquiring any second-hand machineries.

**ESTIMATED TIMELINE**

| Particulars | Tentative timelines |
|---|---|
| Placement of Orders | December 2026 |
| Arrival and Installation of Machineries | January 2027 |
| Commercial operational | February 2027 |

We will place orders for the purchase of plant and machineries for which orders are yet to be placed as per the schedule of implementation.

**2. FUNDING CAPITAL EXPENDITURE TOWARDS A PRE-ENGINEERED BUILDING FOR AN INDUSTRIAL SHED**

Our existing manufacturing facility is situated at Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102.

The existing set-up does not have sufficient free space under the industrial shed to install all the proposed machines. The present built-up area specifically designated for the manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material and we have adequate free area for installation of all the proposed new machinery. Accordingly, we propose to undertake an expansion of the existing facility by constructing a pre-engineered building for an industrial shed. The additional new machinery is proposed to be installed at the expanded facility. Post completion of the proposed shed, the total available built-up area will be adequate to accommodate the existing as well as the proposed machinery and to support future operational requirements. This expansion is planned to be funded from the utilization of the net proceeds.

**Details of Estimate:**

**Name of Supplier:** Vipul Infra Systems Private Limited

**Date of Quotation:** August 18, 2026

**Validity of Quotation:** 3 months from the date of the offer

**Date of Placement of Order:** Order not yet placed

**Expected Date of Supply:**

| Description | Timelines |
|---|---|
| Submission of General Arrangement (GA) Drawings | 10 days from the date of order and complete advance Whichever is later. |
| Supply Time Frame | 6-7 weeks from the date of receipt of signed off GA drawings |
| Erection Time Frame | 7-8 weeks thereafter, the date if handing over of the site cleared in all respect |

The detailed cost breakdown is provided below:

| Sr. No. | Description | Unit | Qty | Rate | Total Cost (₹ in lakhs) |
|---|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| 1 | PEB Building Structure Supply | 87000 | Kgs | 92 | 80.04 |
| 2 | Erection | 1566.83 | Sqm | 400 | 6.27 |
| 3 | Polycarbonate | 62 | Sqm | 1250 | 0.78 |
| 4 | Turbo Fan | 17 | Nos | 5000 | 0.85 |
| | **Total Basic Cost (₹ in lakhs)** | | | | **87.93** |
| | GST | - | - | - | 15.83 |
| | **Total Estimated Cost** | - | - | - | **103.76** |

**Notes:**

a. The total estimated cost is inclusive of Goods and Services Tax (GST).
b. In relation to the GST component proposed to be funded through IPO proceeds, the Company may be eligible for input tax credit (ITC) against GST paid, such credit is available only post payment and subject to compliance with applicable GST laws, timelines, and matching conditions. Accordingly, the initial outflow of GST forms part of the immediate funding requirement for execution of the project. Any ITC availed subsequently shall be utilized in the normal course of business and will contribute to improved working capital efficiency.
c. The Quotation mentioned in this section are valid as on the date of this Draft Red Herring Prospectus.
d. The Quotation have been approved by Board of Directors in their meeting held on September 21, 2026.
e. We hereby confirm that above supplier is not connected to our promoters, promoter group, directors, senior managerial personnel, key managerial personnel and merchant banker.
f. Our promoters, promoter group, directors, senior managerial personnel, key managerial personnel and merchant banker do not have any interest in the proposed building.
g. We confirm that the Company has not procured any services from the said supplier in the past, nor has the Company engaged in any transactions or dealings with this supplier in any manner previously.
h. The estimate relied upon by us in arriving at the above cost are valid for a specific period and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of construction to be incurred by us at the actual time of expense, resulting in increase in the estimated cost, such additional cost shall be incurred from our internal accruals. This includes financing the cost of purchase of plant and machineries which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.
i. We have not entered into any definitive agreements with the above supplier and there can be no assurance that the same supplier would be engaged at the time of actual expenses.
j. The above cost is based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of supplier or any modification/addition/deletion of plant and machineries, in the best interest of the company) at the time of actual expenses. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual expenses, to meet the cost of such other expenses, as required.

## ESTIMATED TIMELINE

| Particulars | Tentative timelines |
|---|---|
| Commencement of construction | November 2026 |
| Completion of construction | January 2027 |

We will place orders for the pre-engineered building for an industrial shed for which orders are yet to be placed as per the schedule of implementation.

**Necessary approvals related to the Object of the issue:**

| Sr. No | Date of Document | Description | Address of Premise | Authority to which application to be made |
|---|---|---|---|---|
| 1 | July 21st, 2026 | Consent to Establish for expansion of manufacturing facility. | Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102. | Haryana State Pollution Control Board |

## 3. FUNDING WORKING CAPITAL REQUIREMENTS

We fund a majority of our working capital requirements in the ordinary course of business from our internal accruals, loans from Directors and Relatives, financing from banks and financial institutions. As on March 31, 2026, Net Working Capital requirement of our Company on restated basis was 5,389.58 Lakhs, and as on March 31, 2025, it was ₹ 2,546.05 Lakhs as against that of ₹ 1,162.36 lakhs as on March 31, 2024. The Net Working capital requirements for the FY 2026-27 and FY 2027-28 is estimated to be ₹10,678.45 Lakhs and ₹ 14,848.56 Lakhs respectively. The Company will meet the requirement to the extent of ₹ 6,350.00 Lakhs from the Net Proceeds of the Issue and balance from borrowings and internal accruals at an appropriate time as per the requirement.

***(₹ in Lakhs)***

| Sr. No. | Particulars | For the financial year ended (as per Restated Financial Statement) | | |
|---|---|---|---|---|
| | | March 31, 2026 | March 31, 2025 | March 31, 2024 |
| **A** | **Current Assets** | | | |
| | Inventories | 3,375.79 | 1,612.32 | 671.61 |
| | Trade Receivables | 2,889.53 | 1,369.28 | 437.01 |
| | Short term loans and advances | 407.65 | 486.34 | 236.18 |
| | Other Current Assets | 3.08 | 1.83 | 12.41 |
| | **Total (A)** | **6,676.05** | **3,469.77** | **1,357.21** |
| **B** | **Current Liabilities** | | | |
| | Trade Payables | 860.96 | 303.57 | 101.14 |
| | Other Current Liabilities | 169.62 | 491.12 | 85.51 |
| | Short Term Provisions | 255.89 | 129.03 | 8.20 |
| | **Total (B)** | **1,286.47** | **923.72** | **194.85** |
| **C** | **Total Working Capital Gap (A-B)** | **5,389.58** | **2,546.05** | **1,162.36** |
| **D** | **Funding Pattern** | | | |
| | Borrowing | 4,164.39 | 2,418.82 | 1,162.36 |
| | Net worth/Internal Accruals | 1,225.19 | 127.23 | - |
| | Proceeds from IPO | - | - | - |
| | **Total** | **5,389.58** | **2,546.05** | **1,162.36** |

**Expected Working Capital Requirements**

The estimates of working capital requirements for the Financial Year ended March 31, 2027 and March 31, 2028 has been prepared based on the Management estimates of current and future financial performance. The projection has been prepared using set of assumptions that include assumptions about future events and management's action that are not necessarily expected to occur. The proposed funding of such working capital requirements, as set forth below:

***(₹ in Lakhs)***

| Sr. No. | Particulars | Estimation | Projection |
|---|---|---|---|
| | | 2027 | 2028 |
| **A** | **Current Assets** | | |
| | Inventories | 6,300.00 | 8,700.00 |
| | Trade Receivables | 5,618.00 | 7,748.00 |
| | Short term loans and advances | 403.00 | 505.65 |
| | Other Current Assets | 2.00 | 2.00 |
| | **Total (A)** | **12,323.00** | **16,955.65** |
| **B** | **Current Liabilities** | | |
| | Trade Payables | 1,150.00 | 1,500.00 |
| | Other Current Liabilities | 85.00 | 90.00 |
| | Short Term Provisions | 409.55 | 517.09 |

| | | | |
|---|---|---|---|
| | **Total (B)** | **1,644.55** | **2,107.09** |
| **C** | **Total Working Capital Gap (A-B)** | **10,678.45** | **14,848.56** |
| **D** | **Funding Pattern** | | |
| | Borrowing | 6,506.77 | 6,506.77 |
| | Net worth/Internal Accruals | 1,791.68 | 4,371.79 |
| | Proceeds from IPO | 2,380.00 | 3,970.00 |
| | **Total** | **10,678.45** | **14,848.56** |

**Assumptions for our estimated working capital requirement:**

The table below sets forth the details of holding levels (in days) for the Fiscal 2024, Fiscal 2025, Fiscal 2026 as well as Projections for Fiscal 2027 and Fiscal 2028:

| Particulars* (in Days) | Holding Levels (March 31, 2024) | Holding Levels (March 31, 2025) | Holding Levels (March 31, 2026) | Holding Levels (March 31, 2027) | Holding Levels (March 31, 2028) |
|---|---|---|---|---|---|
| | Restated | Restated | Restated | Estimation | Projection |
| Inventories | 51 | 45 | 53 | 56 | 58 |
| Trade receivables | 30 | 40 | 41 | 46 | 47 |
| Trade payables | 6 | 8 | 13 | 10 | 10 |

## JUSTIFICATION FOR HOLDING LEVELS

**1. Inventories**

**FY 2023-24 (51 Days):**

The inventory holding level of 51 days in FY 2023-24 is considered reasonable in view of the significant expansion in the scale and nature of operations during the year.

- In FY 2022-23, the Company was primarily engaged in the trading of materials, generating revenue of ₹ 593.95 lakhs. During FY 2023-24, the Company's revenue increased substantially to ₹ 5,268.67 lakhs**,** representing a significant growth in business volumes. The growth in revenue during FY 2023-24 was primarily attributable to the commencement of manufacturing operations following the installation and commissioning of a furnace during the year. Consequently, the revenue for FY 2023-24 includes income from both manufacturing and trading activities, whereas the revenue reported for FY 2022-23 comprised solely of trading activities.
- With the commencement of manufacturing activities, the Company was required to maintain adequate levels of raw materials, consumables, work-in-progress and finished goods, in addition to inventory required for its trading operations. The Company also maintained inventory at an appropriate level in anticipation of the further growth in business volumes projected for FY 2024-25.

**FY 2024-25 (45 Days):**

The inventory holding period reduced slightly to 45 days in FY 2024–25. Key Reasons for significant decrease in holding levels include:

- During FY 2024-25, the Company's operations continued to expand, and the Company installed a second furnace in December 2024, further enhancing its manufacturing capacity. The additional manufacturing capacity required the Company to maintain adequate inventory of raw materials, consumables and finished goods to support the increased production capacity and meet customer requirements.
- Despite the addition of the second furnace, the inventory holding level has been maintained at 45 days, lower than the 51 days maintained in FY 2023-24. This indicates improved inventory planning and inventory turnover as the Company's procurement and production processes have become more streamlined with greater operational experience.

**FY 2025-26 (53 Days):**

The Inventory holding period remained stable at 53 days in FY 2025-26, consistent with range of 45 to 55 days, reflecting effective inventory planning, balanced procurement, and steady inventory turnover.

**FY 2026-27 (56 Days) and FY 2027-28 (58 Days)**

The company projected inventory holding period for FY 2026–27 and FY 2027-28 are 56 days and 58 days respectively. Justification includes:

- The Company intends to increase manufacturing capacity during FY 2026–27. With higher output, additional raw materials and finished goods inventory will be required to support expanded operations.
- Revenue from operations is projected to grow, necessitating a moderate increase in inventory to ensure timely fulfilment of orders.
- While inventory levels are expected to rise compared to FY 2025–26, they remain within a reasonable range, considering the company's improved systems, forecasting, and stability in the network.

**2. Trade Receivables:**

**FY 2023-24 (30 Days) & FY 2024-25 (40 Days) & FY 2025-26 (41 Days)**

Our company's trade receivable cycle has undergone a strategic expansion, rising from 30 days for FY 2023-24 to 40 days for FY 2024-25 and 41 days for FY 2025-26. This upward trend aligns with a significant increase in revenue concentration among the company's top customers. Specifically, the revenue contribution from the top 10 customers grew from 57.33% in FY 2023-24 to 88.15% in FY 2024-25 and 88.81% of total revenue by FY 2025-26.

This shift is a deliberate, proactive choice rather than a reflection of diminished collection efficiency. By extending credit terms to these high-volume customers who now represent more than half of the company's business, the entity aims to solidify long-term relationships and maintain a sharp competitive edge. Accordingly, the movement in the trade receivable cycle represents a measured increase in working-capital deployment aligned with the Company's customer concentration.

**FY 2026-27 (46 Days) and FY 2027-28 (47 Days):**

The trade receivable cycle is projected to rise slightly to 46 days in FY 2026–27 and to 47 days in FY 2027–28. Justification:

- The projected increase in the trade receivable holding period is primarily linked to the expected growth in the Company's business and corresponding increase in sales volumes. As the Company expands its operations and expects higher revenues in the coming years, a higher level of trade receivables is expected as a natural consequence of the increase in the scale of business.
- With the expected continuation of business growth and increased volumes from these established customers, the Company anticipates maintaining commercially competitive credit terms to support higher sales and strengthen long-term customer relationships.

**3. Trade Payables:**

Trade payables are amounted to be paid to suppliers by company following operating expenses.

Our Company had trade payable days in the range of 6 - 13 days in the financial year 2023-24, 2024-25 and 2025-26. Accordingly absolute trade payables have trended upward in alignment with increased procurement volumes.

Our Company estimates to maintain the consistent trade payable holding period of 10 days in financial year 2026-27 and in financial year 2027-28. This stability reflects a deliberate management strategy to prioritize supplier relationships over aggressive cash preservation. By opting for timely payments rather than extending credit windows, the company fosters reliability and trust within its supply chain. This approach ensures a stable and responsive vendor base, which is essential for supporting operational scaling. Ultimately, the firm's commitment to disciplined, prompt settlement reinforces its reputation as a dependable partner while maintaining a well-controlled working capital structure, positioning the business for sustainable growth.

Apart from above there are other working capital requirements such as Short-Term loans and advances, Other Current assets, Other Current Liabilities, Short term provisions. Details of which are given below.

| | |
|---|---|
| Short Term Loans and Advances | Short Term Loans and advances mainly include advance to supplier, balance with government authority and other advances. Short Term Loan and advances are |

| | |
|---|---|
| | estimated based on previous years outstanding amount and for expected Business requirement of Company. |
| Other Current Assets | Other Current Assets mainly includes prepaid expense. Other current assets are estimated based on previous years outstanding amount and for expected Business requirement of Company |
| Other Current Liability | Other Current Liability mainly includes Statutory dues payable; advances received from customers and other payables. Other current liabilities are estimated based on previous years outstanding amount and for expected Business requirement of Company |
| Short Term Provisions | Short Term Provisions mainly include provision for income tax, provision for corporate social responsibility and provision for gratuity. Short Term Provision are estimated based on previous years outstanding amount and for expected Business requirement of Company. |

**As certified by Statutory and Peer Review Auditor M/s. M Parashar & Co, Chartered Accountants, by way of their certificate dated September 23, 2026.*

## 4. GENERAL CORPORATE PURPOSES

We will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes. We intend to deploy ₹ [●] Lakhs towards the general corporate purposes to drive our business growth, subject to such utilization not exceeding 15% of the gross proceeds or ₹ 1000 Lakhs, whichever is less, from the amount being raised by the Issuer in accordance with the SEBI ICDR Regulations, including but not restricted towards meeting operating expenses, strengthening of our business development and marketing capabilities and meeting exigencies. The quantum of utilization of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head "General Corporate Purposes" and the corporate requirements of our Company.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above subject to above mentioned limit.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular Object i.e., the utilization of Net Proceeds.

## ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●], which is [●]% of the total Issue size. The details of the issue expenses are as below:

| Sr. No. | Particulars | Amount (₹ in Lakhs) | % of total issue expenses** | % of total issue size** |
|---|---|---|---|---|
| 1. | Book Running Lead Manager fees | [●] | [●] | [●] |
| 2. | Fees Payable to Registrar to the Issue | [●] | [●] | [●] |
| 3. | Fees Payable Advertising and Publishing Expenses | [●] | [●] | [●] |
| 4. | Fees Payable to Regulators including Stock Exchanges and other Intermediaries | [●] | [●] | [●] |
| 5. | Printing and stationery expenses | [●] | [●] | [●] |
| 6. | Fees payable to Peer Review Auditor and Legal | [●] | [●] | [●] |

| | | | | |
|---|---|---|---|---|
| 7. | Fees Payable to Market Maker (for Three year) | [●] | [●] | [●] |
| 8. | Escrow & Sponsor Bank Fees | [●] | [●] | [●] |
| 9. | Others (Fees payable for marketing & distribution expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses) | [●] | [●] | [●] |
| **Total Estimated Issue Expense*** | | **[●]** | [●] | [●] |

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

**Note:**

*(1) Our Company has deployed/incurred expense of ₹ 58.82 Lakhs towards Funding Capital Expenditure towards Purchase of Plant and Machineries and Issue Expenses out of internal accruals duly certified by Peer Review Auditor, M Parashar & Co., Chartered Accountants vide its certificate dated September 23, 2025.*

*(2) The fund deployed out of internal accruals towards issue expenses and the same will be recouped out of issue expenses.*

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

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

**Amount allotted is the product of the number of Equity Shares Allotted and the Issue 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.*

*(4) No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Individual Applicants and Non-Institutional Applicants which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

| | |
|---|---|
| *Portion for Individual Applicants** | *₹ [●] per valid Bid cum Application Form (plus applicable taxes)* |
| *Portion for Non-Institutional Applicants** | *₹ [●] per valid Bid cum Application Form (plus applicable taxes)* |

*Notwithstanding anything contained above the total processing fee payable and selling commission payable to the SCSB under this clause will not exceed ₹ [●] Lakhs (plus applicable taxes) and in case if the total processing fees exceeds ₹ [●] Lakhs (plus applicable taxes) then processing fees will be paid on pro-rata basis.*

*(5) The processing fees for applications made by Individual Applicants using the UPI Mechanism would be as follows:*

| | |
|---|---|
| *Members of the RTAs/ CDPs (uploading charges)* | *₹ [●] 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 by respective Sponsor Bank*

*Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIBs (up to ₹200,000), Non-Institutional Applicants (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds ₹0.5 Lakhs (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.*

*(6) Selling commission on the portion for Individual Applicants and Non-Institutional Applicants which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

| | |
|---|---|
| *Portion for Individual Applicants** | ₹10 per valid application (plus applicable taxes) |
| *Portion for Non-Institutional Applicants** | ₹10 per valid application (plus applicable taxes) |

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

*Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Applicants which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.*

*(7) Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Applicants which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:*

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

** Based on valid applications*

*Notwithstanding anything contained above the total uploading/ bidding charges to the Registered Brokers payable/selling commission payable to the SCSB under this clause will not exceed ₹ [●] Lakhs (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds ₹ [●] Lakhs (plus applicable taxes) then uploading charges will be paid on pro-rata basis.*

*The Selling Commission payable to the Syndicate/ Sub-Syndicate Member 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. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Applicants which are procured by them and submitted to SCSB for blocking, would be as follows: ₹10 (plus applicable taxes), per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.*

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

*All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Applicants 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*

*The processing fees for applications made by Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with 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 02, 2021 read with SEBI Circular No:. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.*

## INTERIM USE OF NET PROCEEDS

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products. Additionally, in

compliance with SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies.

## BRIDGE FINANCING

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from / with any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

## APPRAISAL REPORT

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization.

## MONITORING UTILIZATION OF FUNDS

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company has appointed [●] as the monitoring agency ("Monitoring Agency") to monitor the utilisation of the Net Proceeds. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay and in accordance with the applicable laws. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such financial year/periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable financial year, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilized Net Proceeds. The reports of the monitoring agency on the utilization of the Net Proceeds shall indicate the deployment of the Net Proceeds under the following heads:

1. Funding Capital Expenditure towards Purchase of Plant and Machineries
2. Funding Capital Expenditure towards Civil Construction
3. Funding working capital requirements
4. General corporate purposes.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statutory auditor of our Company will also provide report/ certificate on the utilization of the Net Proceeds to the monitoring agency. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our directors' report, after placing the same before the Audit Committee.

## VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## OTHER CONFIRMATIONS / PAYMENT TO PROMOTERS AND PROMOTER'S GROUP FROM THE IPO PROCEEDS

No part of the proceeds of the issue will be paid by our Company as consideration to our promoters, members of the promoter group, group companies, our directors, our key managerial personnel or senior management. Further, there are

no existing or anticipated transactions in relation to the utilization of the Net Proceeds entered into or to be entered into by our Company with our promoters, promoter group, directors, group companies, key managerial personnel and/or senior management.

## BASIS FOR ISSUE PRICE

*Investors should read the following summary with the section titled **"Risk Factors"**, the details about our Company under the chapter titled **"Business Overview"** and its financial statements under the chapter titled **"Financial Information of our Company"** beginning on page no. 147 and 207 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.*

*Price Band/Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this chapter. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.*

*For the purpose of making an informed investment decision, the investors should also refer to the chapter titled **"Risk Factors"**, **"Business Overview"** and **"Restated Financial Statements"** beginning on Page no. 16, 147 and 207 respectively of this Draft Red Herring Prospectus.*

### QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

1. Experienced Promoters and Senior Management Team.
2. In-house manufacturing facility supported by technology driven process
3. Stringent quality control mechanism ensuring standardized product quality
4. Established Customer Relationship and Repeat Orders
5. Diversified and established raw material sourcing network

For further details, please refer chapters titled ***"Risk Factors"*** and ***"Business Overview"*** beginning on Page no. 16 and 147 respectively.

### QUANTITATIVE FACTORS

The information presented in this section for the financial year ended on March 31, 2026, financial year ended on March 31, 2025 and financial year ended on March 31, 2024 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled ***"Restated Financial Statements"*** beginning on Page no. 207 of this Draft Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

**1. Basic and Diluted Earnings per Share (EPS), (Face Value of ₹ 10/- each)**

*(Post effect of Bonus of Shares)*

| Particulars | Basic & diluted | |
|---|---|---|
| | EPS (in ₹) | Weights |
| Financial year ending on March 31, 2026 | 14.03 | 3 |
| Financial year ending on March 31, 2025 | 7.97 | 2 |
| Financial year ending on March 31, 2024 | 0.36 | 1 |
| **Weighted Average (of above three financial years)** | **9.73** | |

**Note:**

*i. Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/ year.*

*ii. Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.*

*iii. Weighted average Earnings Per Share is calculated as Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.*

*iv. The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.*

*v. The EPS has been calculated in accordance with AS 20 Earnings Per Share {EPS) issued by Institute of Chartered Accountants of India.*

**2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up –**

| Particulars | (P/E) Ratio at the Floor Price (number of times) | (P/E) Ratio at the Cap Price (number of times) |
|---|---|---|
| a) Based on basic & diluted EPS, as restated for the financial year ended March 31, 2026 | [●]* | [●]* |
| b) Based on weighted average EPS, as restated | [●]* | [●]* |

**To be computed after finalisation of the Price Band.*

**3. Industry Peer Group P/E ratio**

| Particulars | P/E Ratio | Name of the Company |
|---|---|---|
| Highest | **[●]** | **[●]** |
| Lowest | **[●]** | **[●]** |
| Average | **[●]** | |

***Note:*** *For the purpose of industry, we have considered those companies which are engaged in the similar line of business segment as of our Company, however, they may not be exactly comparable in terms of product portfolio or the size of our Company. The peers have been included for the purpose of broad comparison.*

**4. Return on Net Worth (RoNW):**

| Particulars | RoNW(%) | Weights |
|---|---|---|
| Financial year ending on March 31, 2026 | 43.10% | 3 |
| Financial year ending on March 31, 2025 | 43.06% | 2 |
| Financial year ending on March 31, 2024 | 3.43% | 1 |
| **Weighted Average (of above three financial years)** | **36.48%** | |

**Notes:**

*i. RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholders' funds for that year. Shareholders' funds = Share capital + reserves & surplus - revaluation reserves.*

*ii. Networth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.*

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

**5. Net Asset Value (NAV) per Equity Share**

*(Post effect of Bonus of shares)*

| Particulars | NAV per Share (In ₹) |
|---|---|
| As on March 31, 2024 | 10.45 |
| As on March 31, 2025 | 18.51 |
| As on March 31, 2026 | 32.54 |
| Net Asset Value per Equity Share after the Issue | [●] |
| Issue price per equity shares | [●] |

**Notes:**

*i. NAV (book value per share) = Total shareholders' funds divided by number of shares outstanding at the end of the year.*

*ii. The figures disclosed above are based on the Restated Financial Statements of the company.*

*iii. Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.*

*iv. Issue Price per Equity Share will be determined by our company in consultation with the BRLM.*

## 6. Comparison of Accounting Ratios with Industry Peers

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses:

| Name of Company | Current Market Price (In ₹) | Face Value (in ₹) | EPS | | PE | RoNW (%) | NAV per Equity Share (₹) | Total Income (₹ in Lakhs) |
|---|---|---|---|---|---|---|---|---|
| | | | Basic | Diluted | | | | |
| Auto Recycling Systems Limited** | [●] | 10 | 14.03 | 14.03 | [●] | 43.10% | 32.54 | 25,667.19 |
| **Peer Group** | | | | | | | | |
| Arfin India Limited | 90.15 | 1 | 0.81 | 0.81 | 94.89 | 8.07 | 9.99 | 62,489.58 |
| CMR Green Technologies Limited | 229.85 | 2 | 5.79 | 5.79 | 21.20 | 8.33 | 69.45 | 5,07,065.00 |
| Nupur Recyclers Limited | 166.26 | 10 | 2.06 | 2.06 | 66.90 | 6.74 | 17.48 | 13,575.71 |
| Baheti Recyling Industries Limited | 765.00 | 10 | 26.08 | 26.08 | 29.60 | 28.89 | 89.66 | 72,485.97 |

**Notes:**

i. *Source-All the financial information for listed industry peers are sourced from their audited financial results for the year ended March 31, 2026 as available on the stock exchange.*
ii. *Market Price for the listed peer mentioned above is sourced from stock exchange data dated September 23, 2026 to compute the corresponding financial ratios.*
iii. *P/E Ratio is based on the current market price of the respective scripts.*
iv. *The EPS, NAV, RoNW and Total Income of our Company are taken as per Restated Financial Statement.*
v. *NAV per share for listed peers is computed as the Total Equity as on March 31, 2026 divided by the outstanding number of equity shares as on March 31, 2026.*
vi. *RoNW has been computed as net profit after tax divided by closing net worth.*
vii. *Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.*

***The details shall be provided post the fixing of the price band by our Company at the stage of the Red Herring Prospectus or the filing of the price band advertisement.*

## 7. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated September 21, 2026 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of the Draft Red Herring Prospectus. Further, the KPIs herein have been certified by Statutory and Peer Review Auditor M/s M Parashar & Co., Chartered Accountants, by their certificate dated September 23, 2026.

The KPIs of our Company have been disclosed in the chapter titled ***"Business Overview"*** and ***"Management's Discussion and Analysis of Financial Position and Results of Operations"*** beginning on page no. 147 and 251, respectively. We have described and defined the KPIs as applicable in ***"Definitions and Abbreviations"*** beginning on page no. 1. Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the 91 SEBI ICDR Regulations.

**Details of KPIs as for the period ended financial year ended March 31, 2026, financial year ended March 31, 2025, and financial year ended March 31, 2024:**

*(₹ in Lakhs except Percentage and Ratio)*

| Particulars* | Unit of Measurement | For the Year ended on March 31, 2026 | For the Year ended on March 31, 2025 | For the Year ended on March 31, 2024 |
|---|---|---|---|---|
| Revenue from Operations[(1)] | In ₹ | 25,667.19 | 14,421.53 | 5,268.67 |
| EBITDA[(2)] | In ₹ | 1,604.50 | 885.57 | 139.57 |
| EBITDA Margin[(3)] | In % | 6.25% | 6.14% | 2.65% |
| PAT[(4)] | In ₹ | 1,122.02 | 637.81 | 28.69 |
| PAT Margin[(5)] | In % | 4.37% | 4.42% | 0.54% |
| Return on equity[(6)] | In % | 54.94% | 55.04% | 3.97% |
| Return on capital employed[(7)] | In % | 22.17% | 20.77% | 4.38% |
| Debt-Equity Ratio[(8)] | In Times | 1.70 | 1.75 | 1.93 |
| Current Ratio[(9)] | In Times | 1.39 | 1.28 | 1.05 |
| Inventory Turnover Ratio[(10)] | In Times | 9.26 | 11.40 | 9.56 |

**As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, by their certificate dated September 23, 2026.*

**Notes:**

1. *Revenue from Operation means revenue from sales.*
2. *EBITDA is calculated as Profit Before Tax + Finance Cost + Depreciation and Amortization – Other Income.*
3. *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
4. *Profit After Tax (PAT) is calculated as Profit Before Tax – Taxes.*
5. *Profit after Tax (PAT) Margin is calculated as Profit after Tax divided by revenue from operations.*
6. *Return on Equity (ROE) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.*
7. *Return on Capital Employed (RoCE) is calculated as EBIT divided by capital employed, Capital Employed is defined as shareholders' equity plus total borrowings [Current & Non – Current].*
8. *Debt to Equity Ratio is calculated as Total Debt divided by Adjusted Net-Worth as per Restated Financial Statements.*
9. *Current Ratio is calculated as Current assets divided by Current liabilities.*
10. *Inventory Turnover Ratio is calculated as Cost of Goods Sold divided by Average Inventories.*

**Set forth the description of historic use of the KPIs by our Company to analyse, track or monitor the operational and/or financial performance of our Company.**

For evaluation our business, we consider that the KPIs, as presented above, as additional measures to review and assess our financial and operating performance. These KPIs have limitations as analytical tools and presentation of these KPIs should not be considered in isolation or as a substitute for the Restated Financial Information.

Further, these KPIs may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use our operating results and trends and in comparing our financial results with other companies in our industry as it provides consistency and comparability with past financial performance.

| KPI | Explanations |
|---|---|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business. |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business. |
| EBITDA Margin | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business. |
| Profit After Tax | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business. |

| KPI | Explanations |
|---|---|
| ROE | ROE provides how efficiently our Company generates profits from average shareholders' funds. |
| ROCE | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |
| Debt Equity Ratio | Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage. |
| Current Ratio | It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables. |
| Inventory Turnover Ratio | Inventory turnover ratio measures how many times a company sells and replaces its inventory over a specific period, typically a year. It reflects how efficiently inventory is managed. |

**Comparison of our key performance indicators with listed industry peers for the Financial Years/ periods included in the Restated Financial Information:**

*(₹ In Lakhs except Percentage and Ratio)*

| Particulars* | Unit of Measurement | Auto Recycling Systems Limited | | | Arfin India Limited | | | CMR Green Technologies Limited | | | Nupur Recyclers Limited | | | Baheti Recyling Industries Limited | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | For the Year ended on March 31, 2026 | For the Year ended on March 31, 2025 | For the Year ended on March 31, 2024 | For the Year ended on March 31, 2026 | For the Year ended on March 31, 2025 | For the Year ended on March 31, 2024 | For the Year ended on March 31, 2026 | For the Year ended on March 31, 2025 | For the Year ended on March 31, 2024 | For the Year ended on March 31, 2026 | For the Year ended on March 31, 2025 | For the Year ended on March 31, 2024 | For the Year ended on March 31, 2026 | For the Year ended on March 31, 2025 | For the Year ended on March 31, 2024 |
| Revenue from Operations[1] | In ₹ | 25,667.19 | 14,421.53 | 5,268.67 | 62,489.58 | 61,575.38 | 53,515.59 | 5,07,065.00 | 4,59,476.10 | 4,28,045.71 | 13,575.71 | 13,404.08 | 18,081.81 | 72,485.97 | 52,430.68 | 42,934.49 |
| EBITDA[2] | In ₹ | 1,604.50 | 885.57 | 139.57 | 4,456.79 | 3,826.31 | 3,219.74 | 24,294.00 | 19,195.02 | (69,394.22) | 1,124.23 | 989.48 | 1,008.22 | 6,152.82 | 4,086.57 | 2,043.61 |
| EBITDA Margin[3] | In % | 6.25% | 6.14% | 2.65% | 7.13% | 6.21% | 6.02% | 4.79% | 4.17% | (16.21)% | 8.28% | 7.38% | 5.58% | 8.49% | 7.80% | 4.76% |
| PAT[4] | In ₹ | 1,122.02 | 637.81 | 28.69 | 1,359.71 | 915.09 | 822.04 | 12,680.00 | 9,609.47 | (56,345.47) | 813.51 | 702.16 | 1,055.04 | 2,706.21 | 1,800.98 | 720.08 |
| PAT Margin[5] | In % | 4.37% | 4.42% | 0.54% | 2.18% | 1.49% | 1.54% | 2.50% | 2.09% | (13.00)% | 5.99% | 5.24% | 5.83% | 3.73% | 3.43% | 1.68% |
| Return on equity[6] | In % | 54.94% | 55.04% | 3.97% | 8.07% | 5.84% | 8.53% | 9.00% | 7.00% | (34.00)% | 6.74% | 6.00% | 12.00% | 36.09% | 35.75% | 18.93% |
| Return on capital employed[7] | In % | 22.17% | 20.77% | 4.38% | 14.97% | 13.98% | 14.90% | 9.00% | 9.00% | 7.00% | 6.74% | 6.00% | 12.00% | 18.22% | 19.54% | 13.79% |
| Debt-Equity Ratio[8] | In Times | 1.70 | 1.75 | 1.93 | 0.77 | 0.75 | 1.24 | 0.47 | 0.28 | 0.21 | NA | NA | NA | 2.45 | 2.41 | 2.38 |
| Current Ratio[9] | In Times | 1.39 | 1.28 | 1.05 | 1.64 | 1.73 | 1.38 | 1.42 | 1.73 | 1.72 | 13.20 | 25.28 | 5.38 | 1.28 | 1.31 | 1.30 |
| Inventory Turnover Ratio[10] | In Times | 9.26 | 11.40 | 9.56 | 3.16 | 2.92 | 3.02 | 10.52 | 11.00 | 11.34 | 52.68 | 38.63 | 17.75 | 3.90 | 4.52 | 6.01 |

***Notes:***

1. *Revenue from Operation means revenue from sales.*
2. *EBITDA is calculated as Profit Before Tax + Finance Cost + Depreciation and Amortization – Other Income.*
3. *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
4. *Profit After Tax (PAT) is calculated as Profit Before Tax – Taxes.*
5. *Profit after Tax (PAT) Margin is calculated as Profit after Tax divided by revenue from operations.*
6. *Return on Equity (ROE) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.*
7. *Return on Capital Employed (RoCE) is calculated as EBIT divided by capital employed, Capital Employed is defined as shareholders' equity plus total borrowings [Current & Non – Current].*
8. *Debt to Equity Ratio is calculated as Total Debt divided by Adjusted Net-Worth as per Restated Financial Statements.*
9. *Current Ratio is calculated as Current assets divided by Current liabilities.*
10. *Inventory Turnover Ratio is calculated as Cost of Goods Sold divided by Average Inventories.*

## 8. Weighted Average Cost of Acquisition

***a) Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Plans and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances").***

Our company confirms that except disclosed below, there are no Primary Issuance of Equity or convertible Shares (excluding shares issued under ESOP/ESOS and issuance of bonus shares) during the 18 months preceding the date of this Draft 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) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

| Date of Transaction | No. of Equity Shares Allotted | Face Value (In ₹) | Issue Price (In ₹) | Nature of Allotment | Nature of Consideration | Total Consideration (₹ in Lakhs) |
|---|---|---|---|---|---|---|
| August 25, 2026 | 80,00,000 | 10 | Nil | Bonus Issue | Other than Cash | Nil |

***b) Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) or Promoters or members of the Promoter Group or other shareholders with rights to nominate directors during the 18 months preceding the date of filing of the 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-Issue capital before such transaction/s and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions").***

Our company confirms that except disclosed below, There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-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.

| Date of Transfer | Name of Transferor | Name of Transferee | No. of Equity Shares Allotted | Face Value (In ₹) | Price per Equity Shares (In ₹) | Nature of Transaction | Total Consideration (₹ in Lakhs) |
|---|---|---|---|---|---|---|---|
| April 1, 2026 | Sarthak Malhotra | Prerna Malhotra | 100 | 10 | 25 | Cash | 2,500 |
| April 1, 2026 | Sarthak Malhotra | Kanwer Surinder Malhotra | 100 | 10 | 25 | Cash | 2,500 |
| April 1, 2026 | Sarthak Malhotra | Tanya Dhir | 100 | 10 | 25 | Cash | 2,500 |
| April 1, 2026 | Sarthak Malhotra | Namit Soni | 100 | 10 | 25 | Cash | 2,500 |
| **Total** | | | **400** | | | | **10,000** |
| **Weighted Average Cost of Acquisition per Share (₹ per Equity Share)** | | | | | | | **25** |

***c) Price per share based on the last five primary or secondary transactions***

Since there have been some primary or secondary transactions of equity shares of our Company during the past 18 months under clauses (a) and (b). Therefore, reporting under Clause (c) is not applicable.

***d) Weighted average cost of acquisition, floor price and cap price:***

| Types of transactions | Weighted average cost of acquisition (₹ per Equity Share) | Floor Price (i.e. ₹ [●]) | Cap Price (i.e. ₹ [●]) |
|---|---|---|---|
| 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/ Stock Appreciation Right Scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options/ Stock Appreciation Right Scheme), in a single transaction or multiple transactions combined together over a span of rolling 30 days. | NIL | [●] | [●] |
| 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 Shareholder or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this 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 our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days. | 25 | [●] | [●] |
| Since there were some primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, which are equal to or more than 5% of the fully diluted paid-up share capital of our Company. Therefore, the information has not been disclosed for price per share of our Company based on the last five secondary transactions where promoter /promoter group entities or Selling Shareholder 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 filing of this Draft Red Herring Prospectus irrespective of the size of the transaction. | NA | NA | NA |

**9. The Issue Price is [●] times of the Face Value of the Equity Shares.**

The Company in consultation with the Book Running Lead Manager believes that the Issue price of ₹ [●] per share for the Public Issue is justified in view of the above parameters. Investor should read the above-mentioned information along with the chapter titled ***"Risk Factors"***, ***"Restated Financial Statements"***, ***"Management's Discussion and Analysis of Financial Position and Results of Operation"*** and the chapter titled ***"Business Overview"*** beginning on page no. 16, 207, 251 and 147 respectively, of this Draft Red Herring Prospectus along with the financials of our Company including important profitability and return ratios, as set out in the chapter titled ***"Restated Financial Statements"*** beginning on page no. 207 of this Draft Red Herring Prospectus. The Face Value of the Equity Shares is ₹ 10 per share, and the Issue Price is [●] times of the face value i.e. ₹ [●] per share.

**10. Explanation for Issue Price being [●] times of weighted average cost of acquisition of primary issuance price and [●] times of weighted average cost of acquisition of secondary transaction price of Equity Shares (set out in 8 (D) above) along with our Company's key performance indicators and financial ratios.**

[●]*

**To be included upon finalization of the Price Band.*

Post-filing of this Red Herring Prospectus with the Registrar of Companies, our Company shall issue an advertisement regarding the Issue program, as required under Regulation 43(1) of the SEBI ICDR Regulations, prior to the opening of the Issue.

## STATEMENT OF POSSIBLE TAX BENEFITS

**To,**
**The Board of Directors,**
**Auto Recycling Systems Limited**
14 /A33 IIIRD Floor Channa Market Wea,
Karol Bagh, Central Delhi, New Delhi, Delhi, India, 110005

Dear sir,

**SUB: - Statement of Special tax benefits ("The Statement") available to Auto Recycling Systems Limited ("the company"), its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

**Re: Proposed Initial Public Offer (IPO) of Auto Recycling Systems Limited on SME Platform of BSE Limited i.e. BSE SME (the "Stock Exchange").**

1. We hereby confirm that the enclosed Annexure I, prepared by Auto Recycling Systems Limited ('the Company'), which provides the Special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (collectively the "Taxation Laws"), the rules, regulations, circulars and notifications issued thereon, as applicable to assessment year 2026-27 and relevant to the financial year 2025-26, available to the Company and its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Therefore, the ability of the Company and its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company and its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the nonresident has fiscal domicile.
5. We do not express any opinion or provide any assurance as to whether
   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been met with; and
   iii. the revenue authorities courts will concur with the views expressed herein
6. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the company and on the basis of their understanding of the business activities and operations of the company.
7. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.

8. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

9. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 20I8 for inclusion in the Draft Red Herring Prospectus (DRHP) / Red Herring Prospectus (RHP) / Prospectus in connection with the proposed Issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

Yours faithfully,
**M/s. M Parashar & Co.**
**Chartered Accountants**
**(Firm Registration Number: 110954C)**

**Sd/-**
**Amit Parashar**
**Partner**
**M. No:.430317**
**Udin: 26430317ODQAJO9918**
**Date: 23-09-2026**
**Place: Mumbai**

Encl.: As above

## ANNEXURE I TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Shareholders under the Taxation Laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares particularly in view of the certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

### A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Income Tax Act, 1961 and GST Act

### B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

**Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. This certificate may be relied on by the company, the Book Running Lead Manager and the Legal Counsel to the Issue. We hereby consent to the extracts of this certificate being used in the Draft Red Herring Prospectus (DRHP) / Red Herring Prospectus (RHP) / Prospectus of the company in connection with the Issue and/or in any other documents in connection with the Issue and/or for submission to the Securities Exchange Board of India, relevant Stock Exchanges and any other authority as may be required. We further consent to the extracts of this certificate being used for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable laws.
3. We undertake to inform you immediately, in writing of any changes, to the above information until the equity shares commence trading on the relevant stock exchanges, pursuant to the Issue. In the absence of any such communication from us, the above information should be considered as updated information until the equity shares commence trading on the stock exchanges, pursuant to the Issue.

## SECTION VIII – ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

### 1. Global Macroeconomic Scenario

### 1.1 Global GDP Growth Scenario

As per the IMF's World Economic Outlook (WEO) Update published in July 2026, global growth is projected to slow to 3.0% in CY 2026, down from an average of 3.5% in CY 2024–25, before recovering to 3.4% in CY 2027. This is broadly unchanged on a cumulative basis compared with the April 2026 WEO, though it conceals sharp divergence across countries. The moderation reflects the negative supply shock from the conflict in the Middle East and associated disruptions to energy flows through the Strait of Hormuz, which is being partly offset by an accelerating global technology cycle driven by artificial intelligence (AI)-related investment and adoption. Economies well integrated into the AI/technology value chain—including Taiwan, Korea, Thailand and Malaysia—have significantly outperformed expectations, while energy-importing economies with limited exposure to the technology upturn, including many low-income countries, continue to face a more pronounced drag.

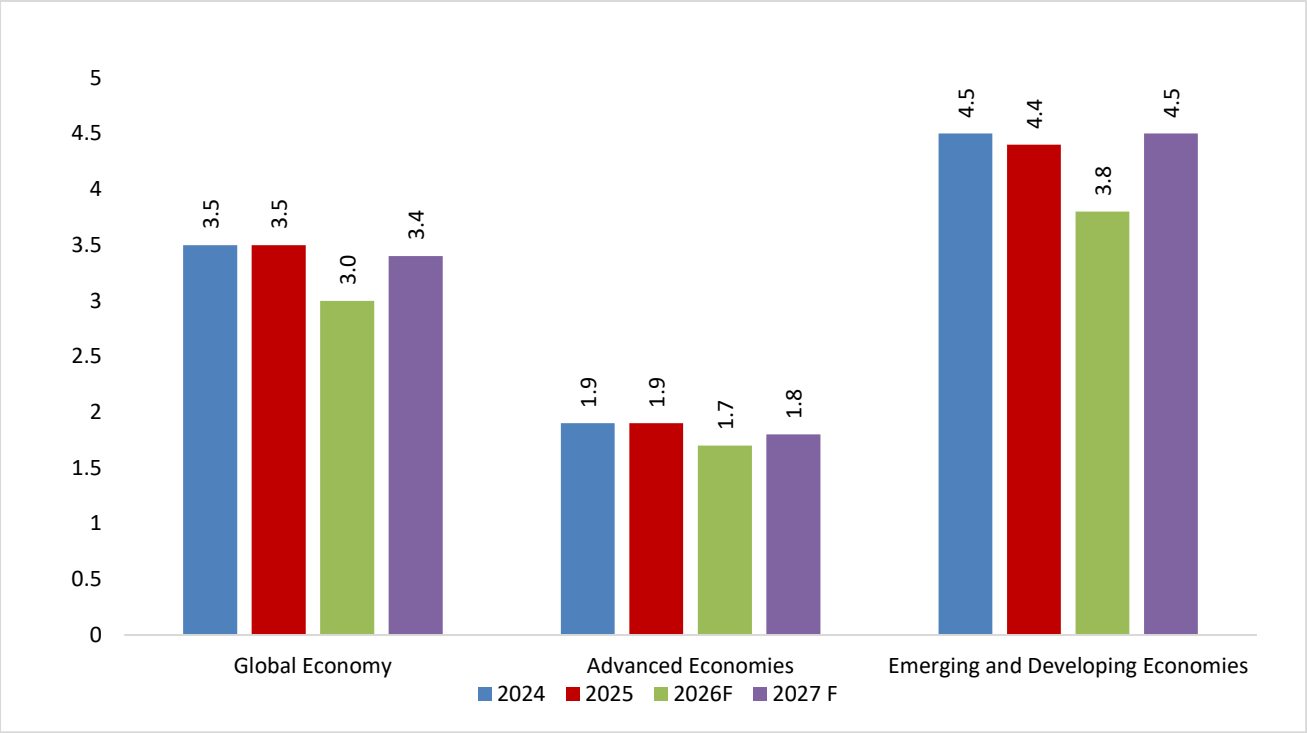
Global headline inflation is projected to rise from 4.1% in CY 2025 to 4.7% in CY 2026, before easing to 3.9% in CY 2027, marking a stalling of the disinflation trend that had been in place since early 2024. The upward revision (0.3 percentage point higher than the April 2026 WEO for 2026) reflects higher energy and food prices, with crude oil prices projected to rise by approximately 32% and natural gas prices by about 22% in 2026 relative to 2025. World trade volume growth is projected to slow sharply from 5.0% in 2025 to 3.5% in 2026, before recovering to 4.3% in 2027, reflecting tariff-related drag and the gradual adjustment of global trade and production linkages.

In China, growth is projected to slow to 4.6% in CY 2026 (down from 5.0% in CY 2025) and further to 4.1% in CY 2027, as elevated global oil prices, structural headwinds and continued property sector weakness weigh on activity, notwithstanding stronger-than-expected exports and high-tech manufacturing. In the Euro Area, growth is projected to slow to 0.9% in CY 2026 before improving to 1.2% in CY 2027, reflecting the drag from higher energy prices, a sizable negative carryover from the first quarter, and weak consumer confidence; Germany's growth is projected at 0.7% in CY 2026, improving to 1.0% in CY 2027, supported by net exports and fiscal measures.

Meanwhile, India is expected to remain among the fastest-growing major economies despite an increasingly uncertain global environment. According to the IMF, India's real GDP growth is projected at 6.4% in FY2026–27 and 6.7% in FY2027–28, supported by resilient private consumption, robust services activity and domestic demand. On a calendar-year basis, the IMF projects India's economy to expand by 7.0% in 2026 and 6.4% in 2027. Consumer price inflation is expected to remain broadly contained, supporting macroeconomic stability even as global inflationary pressures persist.

Overall, while global growth in CY 2025 remained resilient, the outlook for CY 2026 reflects a genuine crosscurrent—a war-driven supply shock pulling growth down, countered by an AI/technology-led investment boom pushing growth up in select economies. Risks to the outlook remain tilted to the downside, with renewed Middle East conflict, trade fragmentation, and a potential correction in AI-driven valuations as the key threats, while a swifter energy-market normalisation and stronger technology investment present the main upside. India's relative macroeconomic stability, resilient domestic demand, and continued investment momentum position it favourably amid these global crosscurrents.

### 1.2 Historical GDP Growth Trends




**Note:** Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.).

F – Forecast, Source – IMF World Economic Outlook July 2026

In CY 2024, global growth remained resilient at 3.5%, supported by easing inflation and improved supply chain conditions. Advanced economies expanded by 1.9%, while emerging and developing economies recorded stronger growth of 4.5%, reflecting continued resilience across developing markets.

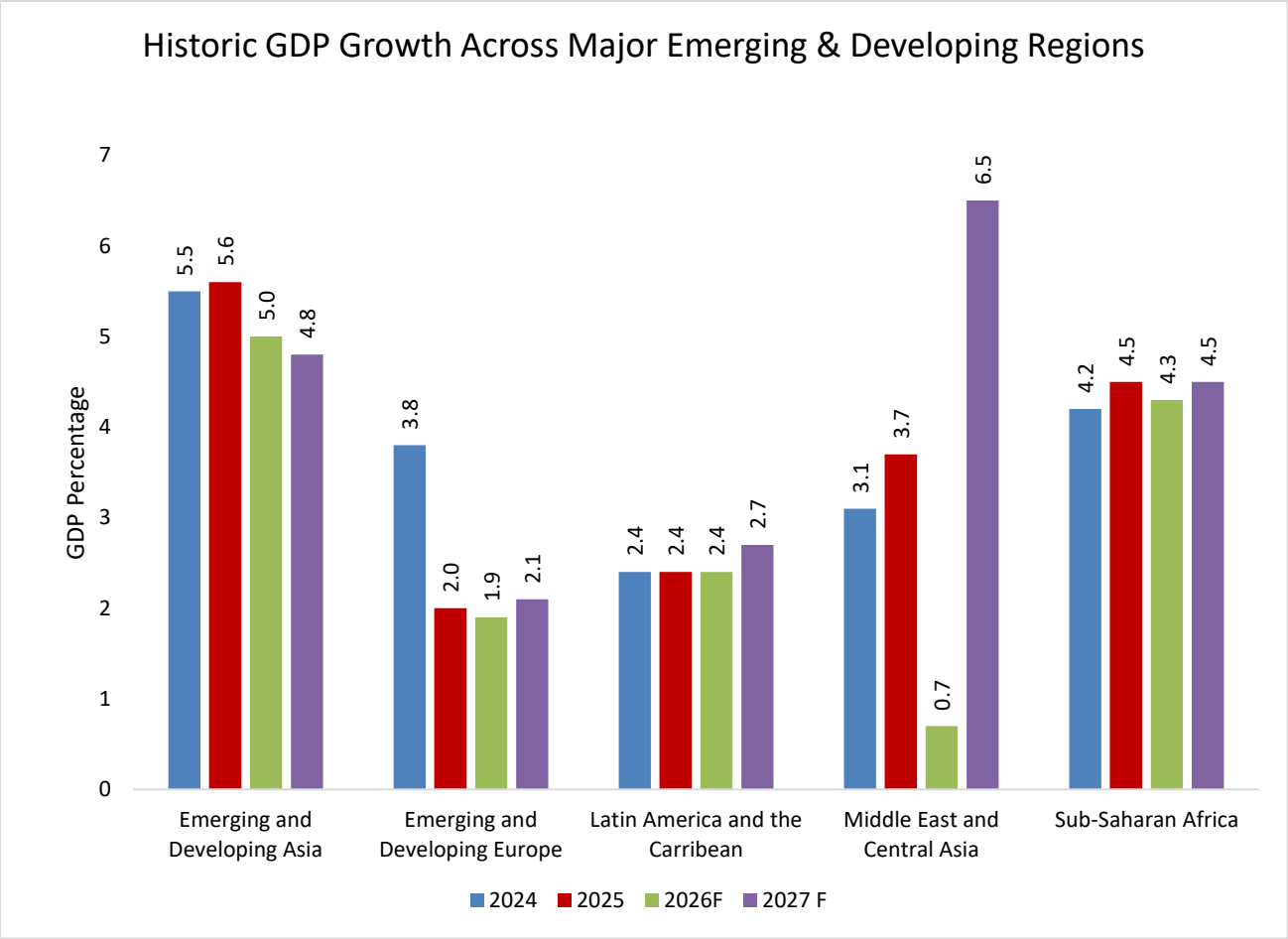
In CY 2025, global GDP growth remained stable at 3.5%, despite ongoing geopolitical tensions and structural challenges. Advanced economies-maintained growth at 1.9%, while emerging and developing economies continued to outperform with growth of 4.5%.

Global growth is projected to moderate to 3.0% in CY 2026, reflecting the impact of higher energy prices, geopolitical tensions, and trade-related headwinds. Advanced economies are expected to grow at 1.7%, while emerging and developing economies are projected to expand by 3.8%.

Growth is expected to recover to 3.4% in CY 2027, supported by improving global trade conditions and continued investment momentum. Advanced economies are forecast to grow at 1.8%, while emerging and developing economies are projected to expand by 4.5%, highlighting their continued resilience relative to advanced economies.

### 1.3 GDP Growth Across Major Regions

GDP growth across major global regions—including Europe, Latin America & the Caribbean, Middle East & Central Asia, and Sub-Saharan Africa—continues to display varied trajectories. While some regions are stabilizing post-pandemic, others remain challenged by structural and cyclical issues. The global outlook presents a mixed scenario, with emerging economies continuing to outperform advanced economies.




Source-IMF World Economic Outlook July 2026 update.

In Emerging and Developing Asia, growth stood at 5.5% in CY 2024 and increased to 5.6% in CY 2025. Growth is projected to moderate to 5.0% in CY 2026 and further to 4.8% in CY 2027. The moderation reflects weaker external demand, trade-related uncertainty, and spillovers from slower growth in China, partly offset by resilience in domestic demand across major economies, with India continuing to act as a key growth driver.

Emerging and Developing Europe recorded growth of 3.8% in CY 2024, moderating to 2.0% in CY 2025 and 1.9% in CY 2026, before improving to 2.1% in CY 2027. The region continues to face structural manufacturing weakness, geopolitical spillovers and subdued external demand, although gradual stabilization in trade and domestic demand is expected to support recovery.

For Latin America and the Caribbean, growth stood at 2.4% in CY 2024 and remained unchanged at 2.4% in CY 2025 and CY 2026, before improving to 2.7% in CY 2027. The modest outlook reflects weak productivity trends, fiscal constraints, and subdued external demand, partially supported by improving macroeconomic stability and policy credibility.

In the Middle East and Central Asia, growth stood at 3.1% in CY 2024 and improved to 3.7% in CY 2025, before declining sharply to 0.7% in CY 2026 and rebounding to 6.5% in CY 2027. This volatility reflects geopolitical disruptions, particularly conflicts affecting energy markets, alongside fluctuations in commodity prices and regional uncertainty.

Sub-Saharan Africa recorded growth of 4.2% in CY 2024, improving to 4.5% in CY 2025. Growth is projected to moderate slightly to 4.3% in CY 2026 before improving to 4.5% in CY 2027. Growth is supported by improving domestic demand and supply conditions, although structural constraints, high debt levels and commodity price volatility continue to pose risks.

Overall, while regional growth trajectories remain uneven, emerging and developing economies are expected to continue outperforming advanced economies, supported by relatively stronger domestic demand and favourable demographics. However, disparities persist due to structural challenges, geopolitical tensions, and commodity market volatility.

**1.4 Global Economic Outlook**

At the current juncture in CY 2026, the global economy continues to exhibit mixed performance, with divergence in outcomes across regions driven by differences in growth dynamics, inflation trends, geopolitical exposure, and policy responses. While the global economy had shown resilience through technology-led investment, accommodative financial conditions, and reduced tariff pressures, the broader outlook has weakened due to the outbreak of conflict in the Middle East, disruptions in energy markets, and elevated geopolitical risks. Structural headwinds, including tighter financial conditions, geoeconomic fragmentation, and subdued productivity growth, continue to keep global growth below historical averages.

The United States continues to demonstrate relative resilience among advanced economies, though growth is moderating as the economy absorbs the lagged effects of prior policy tightening and softer labour market conditions. Across advanced economies, growth is projected at 1.7% in CY 2026, constrained by weak industrial activity, lower productivity growth, and cautious business investment. In Europe, growth conditions remain subdued, with persistent manufacturing weakness, energy-related uncertainties, and weak external demand weighing on activity, although gradual monetary easing and fiscal support may provide some stabilization.

In China, growth prospects remain constrained by continued property sector stress, weak domestic demand, and changing trade dynamics, although export-oriented sectors and technology-linked investment continues to provide support. In contrast, India remains among the strongest-performing major economies, with GDP growth projected at 7.0% (calendar year basis) in CY 2026, supported by resilient domestic demand, sustained infrastructure investment, digitalisation, and structural reforms. Broader Emerging and Developing Asia continues to outperform other regions, although growth is moderating amid weaker global trade momentum.

In Latin America and the Caribbean, growth remains modest amid fiscal constraints, weak productivity trends, and subdued external demand, although improving macroeconomic management in some economies provides support. Sub-Saharan Africa is expected to see gradual strengthening supported by improving supply conditions and domestic demand recovery, while the Middle East and Central Asia face a more volatile outlook due to direct spillovers from conflict-related disruptions and uncertainty in commodity markets. The impact of energy supply risks, including disruptions related to the Strait of Hormuz, has increased downside risks for commodity-importing economies and vulnerable emerging markets.

Globally, inflation dynamics have become more challenging. Global headline inflation is projected to rise to 4.7% in CY 2026 from 4.1% in CY 2025, reflecting the inflationary effects of higher energy prices, supply-side disruptions, and second-round pressures. Central banks are therefore expected to remain vigilant, with policy responses remaining cautious and data dependent. While monetary easing had been expected to support demand, renewed inflation risks may delay or moderate the pace of policy normalization in several economies.

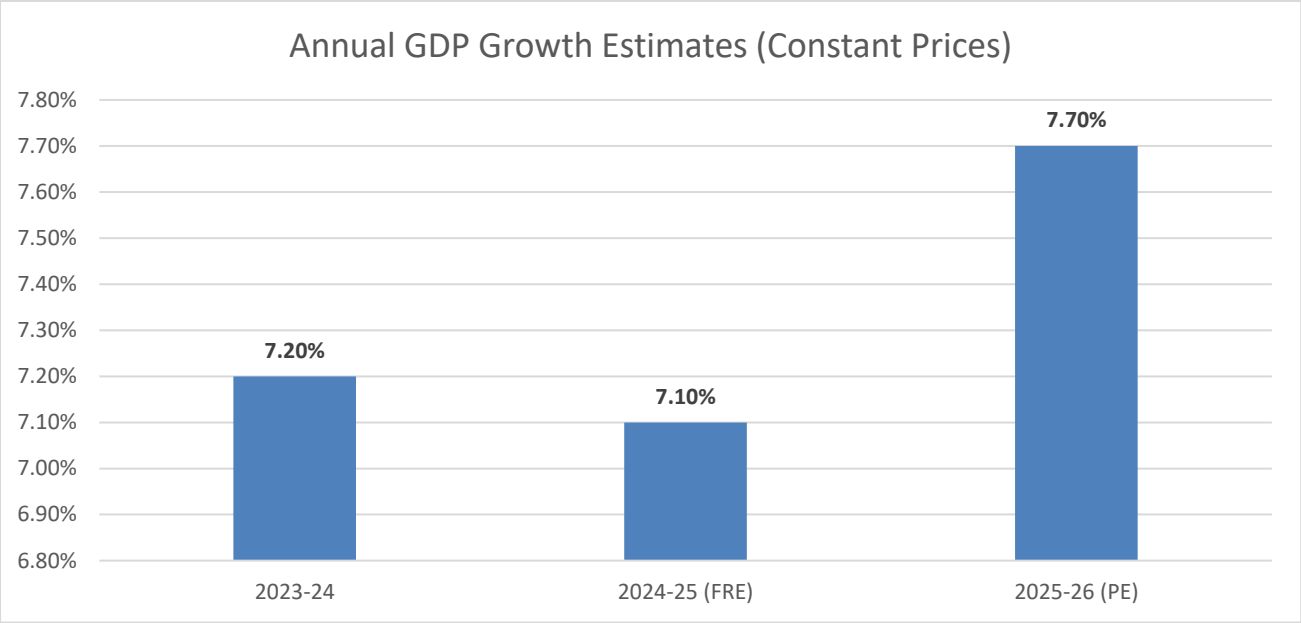
Looking ahead, the medium-term outlook remains one of slower but stable growth, with global GDP projected at 3.4% in CY 2027, following a moderation to 3.0% in CY 2026, below the long-term historical average. Advanced economies are expected to remain on a structurally lower growth path, while emerging and developing economies continue to provide the primary engine of global growth. Future prospects will depend significantly on the evolution of geopolitical tensions, the normalization of energy markets, progress in restoring trade stability, and the extent to which productivity gains from technological innovation, including artificial intelligence, translate into broader economic growth. The IMF also highlights that structural reforms, multilateral coordination, and strengthened macroeconomic resilience will be critical to sustaining growth momentum over the medium term.

Overall, while the global economy remains resilient, the outlook has become more fragile amid elevated downside risks. Growth in CY 2026 and beyond is expected to remain below historical averages, shaped by geopolitical uncertainty, tighter financial conditions, and structural constraints, although emerging economies—particularly India and broader Asia—continue to provide relative support to global growth.

## 2. India's Macroeconomic Scenario

### 2.1 Gross Domestic Product (GDP)

According to the latest Provisional Estimates by MOSPI, GOI (05 June 26), Real GDP has been estimated to grow by 7.7% in FY 2025-26. Nominal GDP has witnessed a growth of 8.9%. Real GDP or GDP at Constant Prices is estimated to attain a level of INR 323.12 lakh crore in the FY 2025-26, against the First Revised Estimate (FRE) of GDP for the year 2024-25 of INR 299.89 lakh crore.




Note: FRE - First Revised Estimates; PE – Provisional Estimate

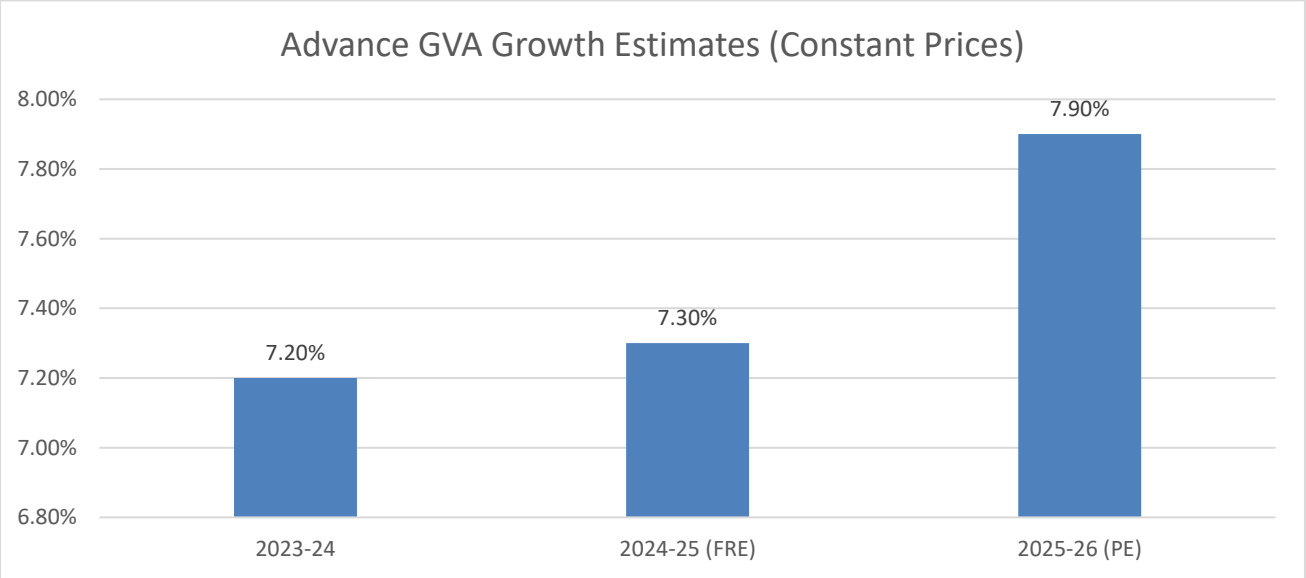
Source: New Series of Gross Domestic Product (GDP) Estimates with Base Year 2022-23 by MOSPI, PIB Press Release dated 05 June 2026).

According to the International Monetary Fund (IMF) World Economic Outlook Database (April 2026), India is estimated to be the sixth-largest economy in the world in 2026, with a Gross Domestic Product (GDP) of approximately USD 4.15 trillion at current prices. India's ranking reflects the latest national accounts data, including the revised GDP series released by the Government of India, which changed the base year from FY 2011-12 to FY 2022-23. India's position in the global ranking is influenced by the revised GDP estimates and the depreciation of the Indian Rupee against the U.S. Dollar.

The economies ranked ahead of India are the United States (USD 32.38 trillion), China (USD 20.85 trillion), Germany (USD 5.45 trillion), Japan (USD 4.38 trillion), and the United Kingdom (USD 4.26 trillion).

### 2.2 Gross Value Added (GVA)

According to the Provisional Estimate of GDP for 2025-26 by MOSPI, Govt. of India (GoI), Real GVA is estimated at INR 294.91 lakh crore in the year 2025-26, against INR 273.36 lakh crore in FY 2024-25, registering a growth rate of 7.9% as compared to 7.3% growth rate in 2024-25. Nominal GVA is estimated to attain a level of INR 314.87 lakh crore during FY 2025-26, against INR 288.54 lakh crore in 2024-25, showing a growth rate of 9.1%.

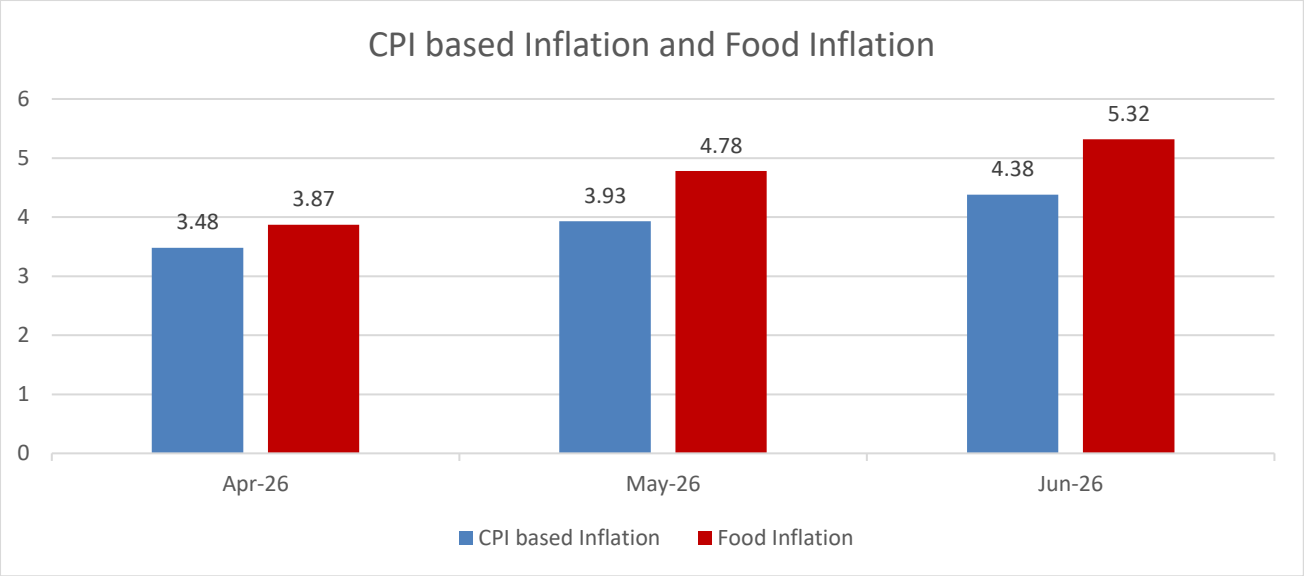


Note: FRE - First Revised Estimates; PE – Provisional Estimate

Source: New Series of Gross Domestic Product (GDP) Estimates with Base Year 2022-23 by MOSPI, PIB Press Release dated 05 June,2026)

### 2.3 Consumer Price Index (CPI)

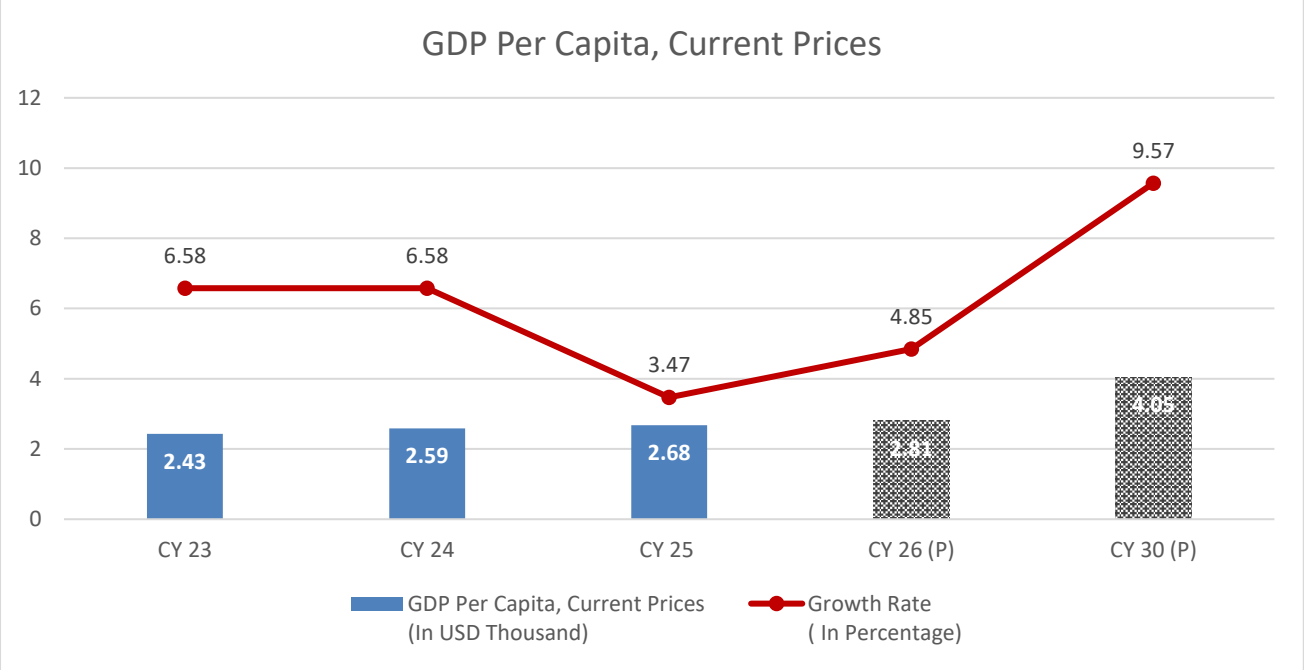
Year-on-year inflation rate based on All India Consumer Price Index (CPI) with base year 2024 for the month of June 2026 over June 2025 is 4.38%(Provisional). Corresponding inflation rates for rural and urban are 4.74% and 3.92%, respectively.




*Source: MOSPI, GOI, 13 July 2026*

### 2.4 India Per Capita GDP Forecast

Per capita GDP growth for India is estimated at 9.57 % CAGR between FY 2026-FY 2030. Increased individual incomes are expected to create additional discretionary spending, which may be beneficial for the sector.




*Note: E = Estimated, P = Projected*

Source: IMF Data Mapper, World Economic Outlook April 2026, India, GDP Per Capita.

## 2.5 Private Final Consumption Expenditure (PFCE)

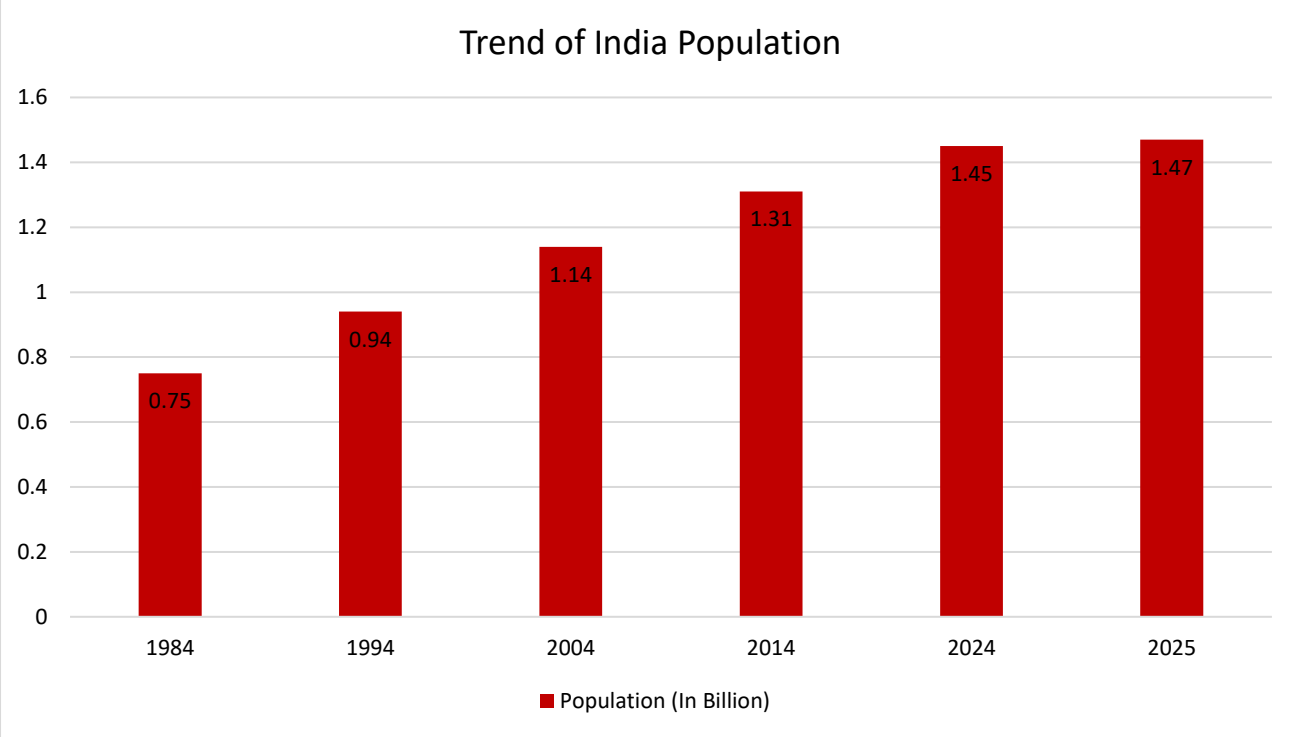
Private Final Consumption Expenditure (PFCE) represents the total spending by resident households on final consumption of goods and services, serving as a key indicator of consumer demand and overall economic well-being. It reflects the extent of household consumption and plays a crucial role in driving GDP growth. PFCE, at constant prices, accounted for 55.7% of GDP in FY2026 (same as FY2025). This marks a gradual moderation from 56.4% in FY2024 and 57.1% in FY2023, indicating a relative shift in the composition of economic growth. The decline is primarily attributable to higher changes in stocks (inventory build-up), which increased the share of investment components in GDP, even as household consumption continues to remain a key driver of the economy.

*Source: - MOSPI, Press Note on New Series of GDP Estimates with Base Year 2022-23, Provisional Estimates of Annual Gross Domestic Product For 2025-26 released on June 05th, 2026.*

## 2.6 Overview on Key Demographic Parameters

### 2.6.1 Population growth

India's economic trajectory and consumption dynamics are closely tied to its demographic shifts. India's population expanded from approximately 0.75 billion in 1984 to 1.45 billion in 2024 and is further reached around 1.47 billion in 2025, consolidating its position as the world's most populous nation. This sustained growth underlines the emergence of a vast labour force and consumer base, which is essential for driving long-term economic growth, supporting rising consumption demand and strengthening the country's overall economic potential.




Source: World Bank Database. Population Data 2025 - Worldometer, Infomerics Analytics & Research

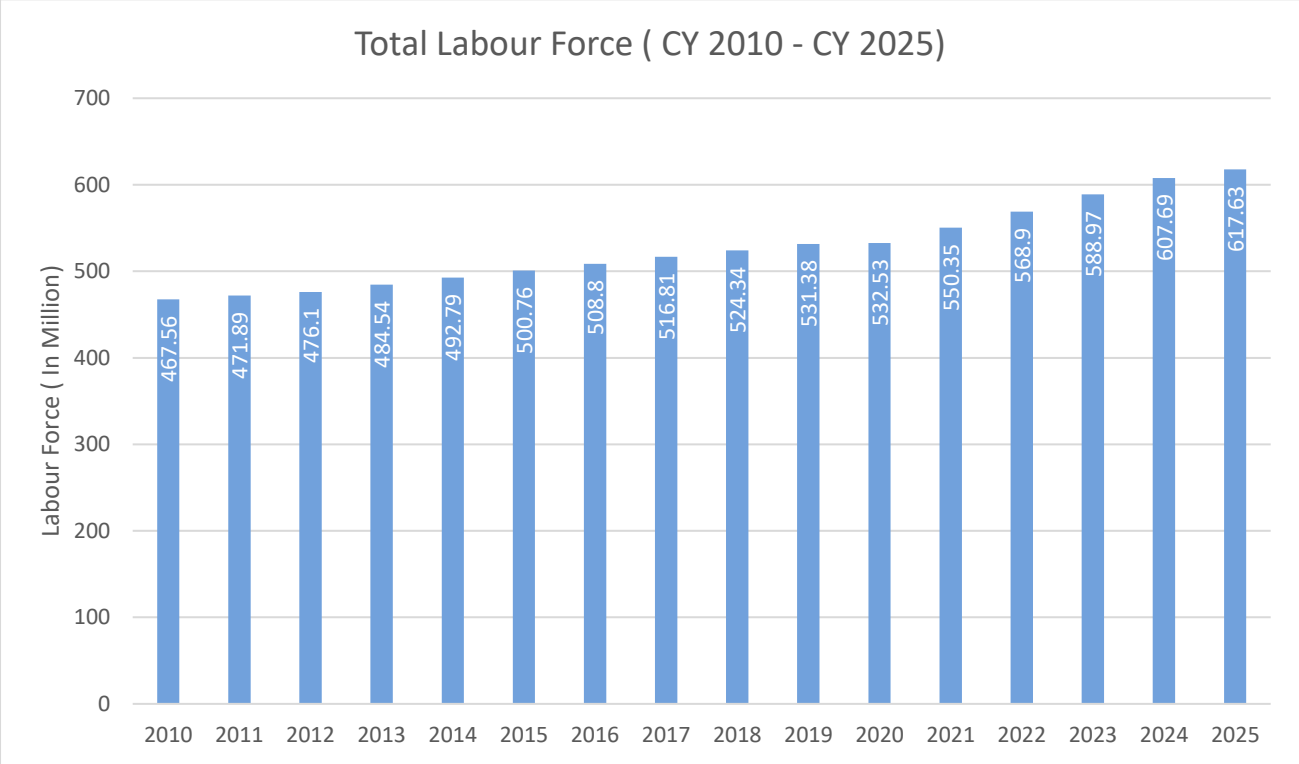
### 2.6.2 Labour Force in India

India's labour force has experienced steady growth over the past decade. In 2010, the total labour force was approximately 467.56 million. By 2025, this number had increased to 617.63 million.

This upward trend underscores the expanding working-age population, improving labour force participation and gradual recovery in employment post the pandemic period. The sharp increase observed after 2020 highlights the rebound in economic activity and rising workforce engagement across sectors. However, it also emphasizes the need for sustained job creation to effectively absorb the growing labour pool.

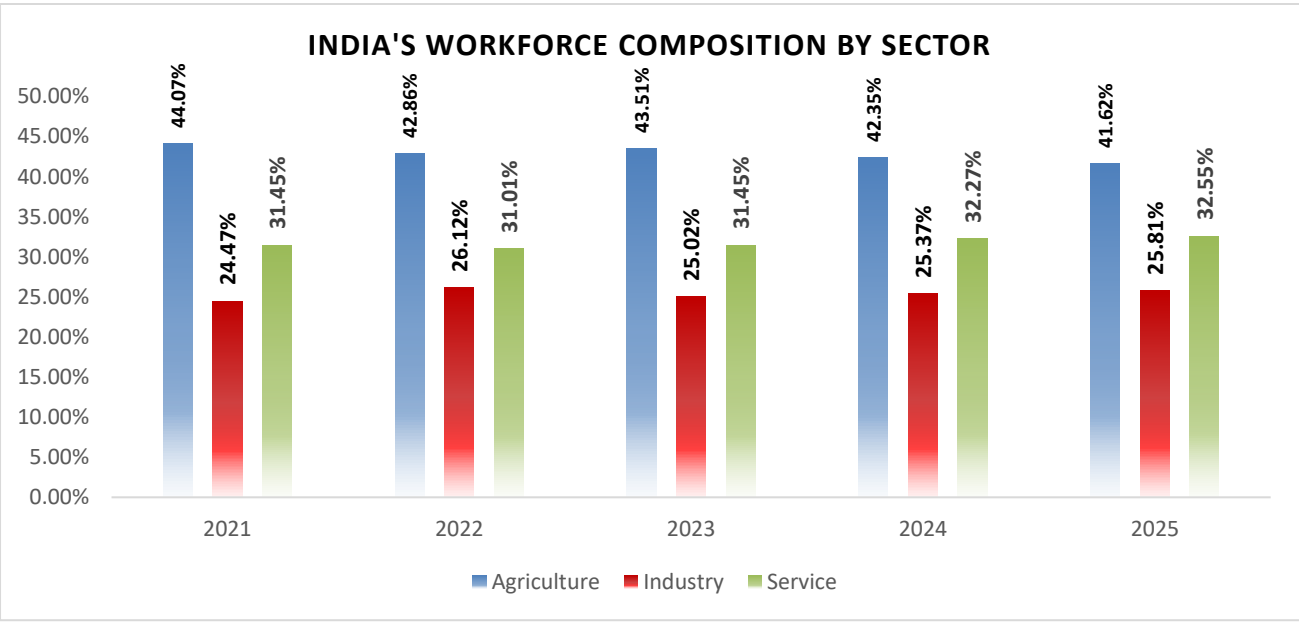
The labour force participation rate (LFPR) has also witnessed variations over time due to changing socio-economic conditions, including urbanization, education levels and sectoral employment shifts.

These trends highlight the importance of implementing policies that not only generate employment opportunities but also improve job quality, productivity and inclusivity across key sectors of the economy.




Source: World Bank Database

### 2.6.2.1 India's Workforce Composition by Sector




Source: World Bank Database

India's workforce composition indicates a gradual shift towards non-agricultural activities, although agriculture continues to account for the largest share of employment. The share of workers engaged in agriculture declined from 44.07% in 2021 to 41.62% in 2025, while the share employed in industry increased from 24.47% to 25.55% and that in services rose from 31.45% to 32.55% during the same period. The increase in services and industry employment, alongside the gradual decline in agriculture's share, indicates a continuing structural transition in the Indian labour market; however, the relatively modest

increase in industrial employment highlights the scope for further labour absorption through manufacturing and other productive non-agricultural activities.

### 2.6.3 Labour Laws in India

Labour is a subject under the Concurrent List of the Indian Constitution, enabling both the Central and State Governments to frame relevant legislation. In a major reform initiative, the Government of India has consolidated 29 existing central labour laws into four comprehensive Labour Codes to simplify compliance, reduce multiplicity of definitions, and promote transparency. These include:

- The Code on Wages, 2019
- The Industrial Relations Code, 2020
- The Code on Social Security, 2020
- The Occupational Safety, Health and Working Conditions Code, 2020

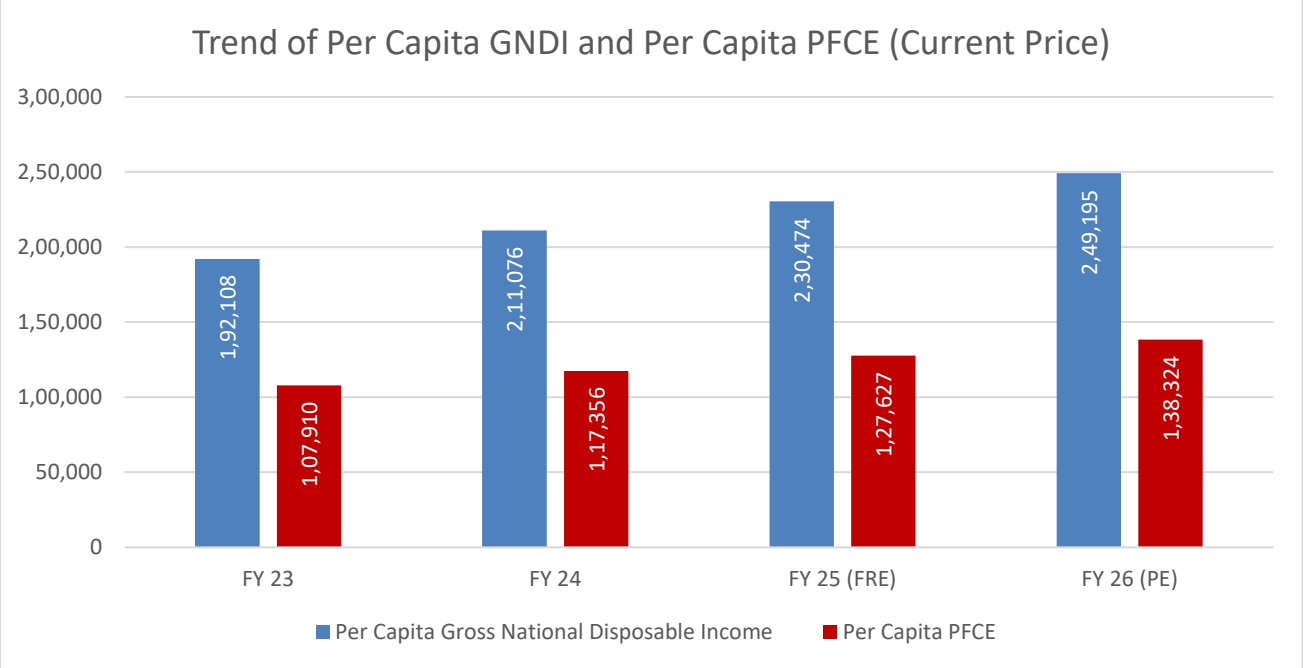
As of 31st December 2024, the Central Government and most States/Union Territories had pre-published draft rules under all four Labour Codes. Regional consultations were held to align state-level rules with the central framework. Once fully implemented, these Codes are expected to harmonize the needs of workers and industry, facilitate ease of doing business, and support employment generation.

Additionally, the Ministry of Labour & Employment is revamping the Shram Suvidha Portal to improve regulatory compliance and has launched the e-Shram Portal to register workers from the unorganised sector. Over 30 crore registrations have been completed, and the portal has been integrated with 12 key social welfare schemes, enabling targeted delivery of benefits.

### 2.6.4 Disposable Income and Consumer Spending

Gross National Disposable Income (GNDI) represents the total income available to a nation's residents for consumption and saving after accounting for income transfers with the rest of the world. Per Capita GNDI has exhibited a steady upward trend over the recent years, increasing from approximately INR1,92,108 in FY23 to INR 2,11,076 in FY24 and further to INR 2,49,195 in FY26 (PE). It reflects the continued growth in income available to households and businesses, supporting consumption and savings activities within the economy.

The rise in disposable income has been accompanied by higher consumer spending, as reflected in the growth of Private Final Consumption Expenditure (PFCE), which measures the total value of goods and services consumed by households. Per Capita PFCE increased from approximately INR 1,07,910 in FY23 to INR 1,38,324 in FY26 (PE). The growth of approximately 8.0% in FY26 over FY25 indicates sustained consumer demand and continued expansion in household consumption expenditure, supported by rising income levels and economic activity.

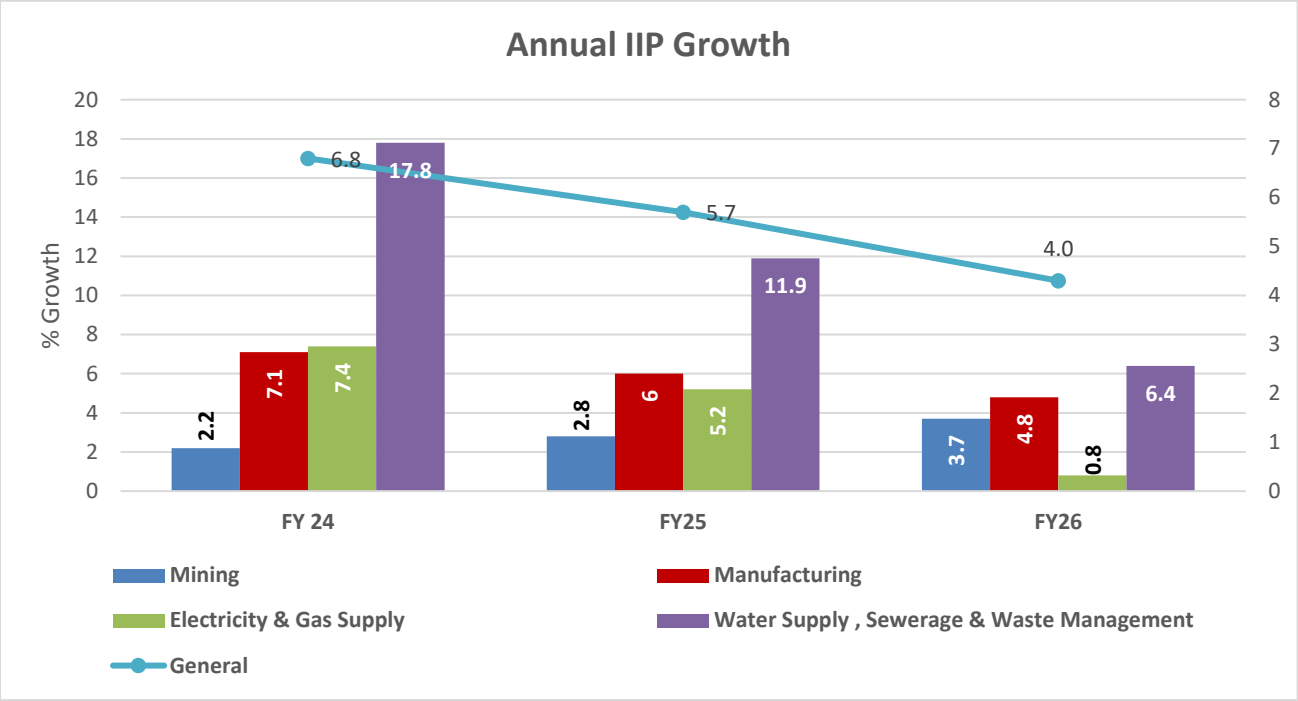


Note: Data mentioned is in INR, FRE – First Revised Estimates, PE – Provisional Estimates.

Source: PIB, New Series of Gross Domestic Product (GDP) release date on 5th June 2026. Estimates with Base Year 2022-23

### 2.6.5 IIP Growth – Index of Industrial Production

As per the Index of Industrial Production (IIP) released by the Ministry of Statistics & Programme Implementation (MoSPI) under the revised Base Year 2022–23, the annual growth rate of the IIP stood at 4.3% in FY 2025-26, compared with 5.7% in FY 2024-25 and 6.8% in FY 2023-24. The moderation in the annual IIP growth rate reflects a gradual normalization in industrial activity following the stronger expansion recorded in the preceding two years. Despite the slower pace of growth, the industrial sector continued to register positive expansion, supported by sustained manufacturing activity, infrastructure development and domestic demand.



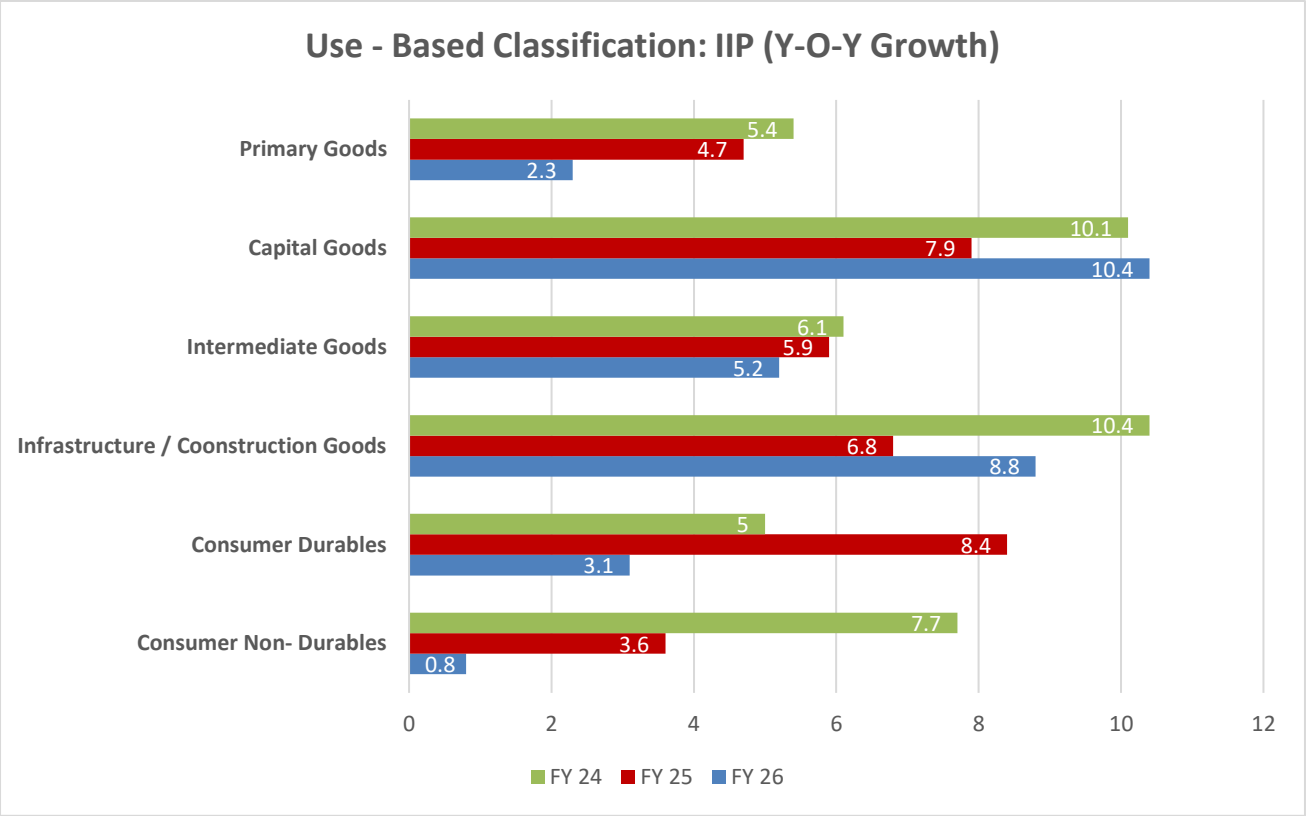

*Source - Ministry of Statistics & Programme Implementation (MOSPI)*

The Index of Industrial Production (IIP) indicates that India's industrial sector continued to expand during FY2024–FY2026, although the pace of growth moderated over the period. Manufacturing, which carries the highest weight in the IIP, moderated from 7.1% in FY2024 to 6.0% in FY2025 and 4.8% in FY2026, while mining improved from 2.2% to 3.7% over the same period. Growth in Electricity & Gas Supply moderated from 7.4% in FY2024 to 0.8% in FY2026, indicating softer growth in energy demand.

Despite the moderation in the broader industrial sector, the Water Supply, Sewerage & Waste Management segment remained one of the fastest-growing components of the IIP, recording growth of 17.8% in FY2024, 11.9% in FY2025, and 6.4% in FY2026, consistently outperforming the overall industrial growth rate. This sustained expansion reflects continued investments in urban infrastructure, sanitation facilities, sewerage networks and integrated waste management systems.

The robust performance of this segment is particularly favourable for the solid waste management industry, as it indicates sustained government and municipal expenditure on sanitation and environmental infrastructure. Increasing investments in waste collection, transportation, segregation, processing, recycling, waste-to-energy facilities and scientific landfill development are expected to generate significant opportunities for companies operating in the sector. Furthermore, ongoing implementation of programmes such as Swachh Bharat Mission (Urban) 2.0, AMRUT, and various Smart City and urban infrastructure initiatives is expected to support the development of modern municipal solid waste management infrastructure. Consequently, the continued growth of the Water Supply, Sewerage & Waste Management segment under the IIP serves as a positive indicator of rising demand for integrated solid waste management services, creating long-term growth opportunities for industry participants.

**Use-Based Classification Trends:**




*Source - Ministry of Statistics & Programme Implementation (MOSPI)*

According to the use-based classification:

- Primary Goods growth moderated from 5.4% in FY2024 to 4.7% in FY2025 and 2.3% in FY2026, indicating slower growth in the production of raw materials used across industrial sectors.
- Capital Goods recorded robust growth of 10.1% in FY2024, 7.9% in FY2025, and 10.4% in FY2026, reflecting sustained investments in industrial capacity expansion, machinery, equipment and capital-intensive projects.
- Intermediate Goods maintained steady growth at 6.1% in FY2024, 5.9% in FY2025, and 5.2% in FY2026, indicating resilient manufacturing activity and stable demand across industrial supply chains.
- Infrastructure/Construction Goods remained one of the strongest-performing categories, registering growth of 10.4% in FY2024, 6.8% in FY2025, and 8.8% in FY2026. The sustained expansion reflects continued investments in transportation, urban infrastructure, industrial corridors, water management and other construction-related projects.
- Consumer Durables recorded growth of 5.0% in FY2024, accelerated to 8.4% in FY2025, before moderating to 3.1% in FY2026. The performance indicates resilient consumer demand for discretionary products, although growth normalized in FY2026 amid softer consumption trends.
- Consumer non-durables registered growth of 7.7% in FY2024, which moderated to 3.6% in FY2025 and 0.8% in FY2026, reflecting slower demand growth for essential consumer goods amid moderating consumption.

### 2.7 Union Budget FY26-27 Highlights

The Union Budget FY 2026–27, presented by Finance Minister Nirmala Sitharaman, introduces a comprehensive set of measures aimed at stimulating economic growth, enhancing infrastructure and fostering inclusive development. With a focus on sectors such as agriculture, MSMEs, infrastructure, innovation and exports, the budget seeks to create a conducive environment for sustained economic expansion.

- **Capital Expenditure and Infrastructure Development**

  In FY2026-27, the Union Budget has increased the public capex towards to INR 12.2 lakh crore from the previous INR 11.21 lakh crore (3.1% of GDP) which was earmarked in FY 2025–26. To strengthen the confidence of private developers regarding risks during infrastructure development and construction phase, the budget proposed to set up an

Infrastructure Risk Guarantee Fund to provide prudently calibrated partial credit guarantees to lenders.

- **Critical Minerals and Rare Earth Corridors**

  Customs duty exemption on capital goods used for processing critical minerals — lithium, cobalt and rare earth elements — used in EV batteries and motors was continued. Dedicated Rare Earth Corridors were announced across mineral-rich states to support mining, processing, research and manufacturing of rare earth permanent magnets, following the Scheme for Rare Earth Permanent Magnets launched in November 2025.

- **EV and Battery Component Duties**

  Customs duty exemption on capital goods used in lithium-ion battery manufacturing was extended. Duty exemptions were also applied to capital goods, EV components and lithium-ion batteries, and an excise duty exemption was granted on biogas components of biogas-blended CNG for public, commercial and fleet transport vehicles.

- **Semiconductor and Electronics Manufacturing**

  Allocation under the India Semiconductor Mission was increased to ₹40,000 crore, up from ₹22,919 crore in the prior tranche. The Electronics Components Manufacturing Scheme was extended to cover all vehicle categories, including EVs.

- **MSME and Auto-Component Financing**

  A dedicated SME Growth Fund of ₹10,000 crore was allocated for auto-component MSMEs in Tier-II and Tier-III towns. A Corporate Mitra framework was introduced in the same geographies for compliance, taxation and regulatory facilitation. The TReDS mechanism was expanded through a CGTMSE-backed credit guarantee for invoice discounting on the platform.

### 2.8 Concluding Remarks about Macroeconomic Scenario

The global economic outlook remains subject to significant downside risks, including geopolitical tensions, volatility in global energy and commodity markets, persistent inflationary pressures, tighter financial conditions, trade fragmentation, elevated public debt and climate-related disruptions. The ongoing geopolitical tensions and associated risks to energy supply chains have increased uncertainty around global growth, while weaker trade momentum and structural productivity constraints may weigh on the medium-term outlook. Global GDP growth is projected at 3% in CY 2026, below the long-term growth trajectory, reflecting a relatively moderate global growth environment.

Against this backdrop, India remains relatively well positioned among major emerging economies. According to the IMF's April 2026 WEO, India's real GDP growth is projected at 7% in CY 2026, supported by resilient domestic demand, sustained public infrastructure spending and continued investment momentum. The domestic economy has also demonstrated resilience, with real GDP estimated to have grown by 7.7% in FY 2025-26, while manufacturing, private consumption and gross fixed capital formation remained important contributors to economic activity.

India's medium-term growth prospects are supported by continued public infrastructure investment, strengthening manufacturing activity, rising income levels, expanding consumption and ongoing structural reforms. The Union Budget FY 2026-27 has increased public capital expenditure to INR 12.2 lakh crore from INR 11.21 lakh crore in FY 2025-26, while the proposed Infrastructure Risk Guarantee Fund is intended to support greater private-sector participation in infrastructure development. Inflation has remained relatively contained, with CPI inflation at 3.48% in April 2026, supporting overall macroeconomic stability, although commodity-price movements and external supply-side risks remain relevant considerations.

Overall, India's macroeconomic outlook remains comparatively favourable despite an uncertain global environment. Continued public and private investment, strengthening manufacturing activity, resilient domestic consumption and infrastructure development are expected to support medium-term economic growth. At the same time, geopolitical developments, global commodity prices, trade conditions and external financial-market movements will remain key factors influencing the pace and sustainability of India's economic expansion.

## 3. INDUSTRY OVERVIEW – AUTOMOTIVE AND METAL RECYCLING INDUSTRY

## PART A – AUTOMOTIVE INDUSTRY

### 3.1 Introduction- Automotive Industry

The automotive industry is one of the largest and most dynamic industries in the world, encompassing the design, manufacture, assembly and sale of motor vehicles across a wide range of segments including passenger vehicles, commercial vehicles, two-wheelers and three-wheelers, along with the broader ecosystem of components, ancillaries and

aftermarket services that support vehicle production and ownership. The industry serves as a cornerstone of modern economic activity, driving large-scale manufacturing, generating widespread employment across skilled and unskilled categories, fostering technological innovation and supporting the mobility needs of individuals, businesses and governments across geographies.

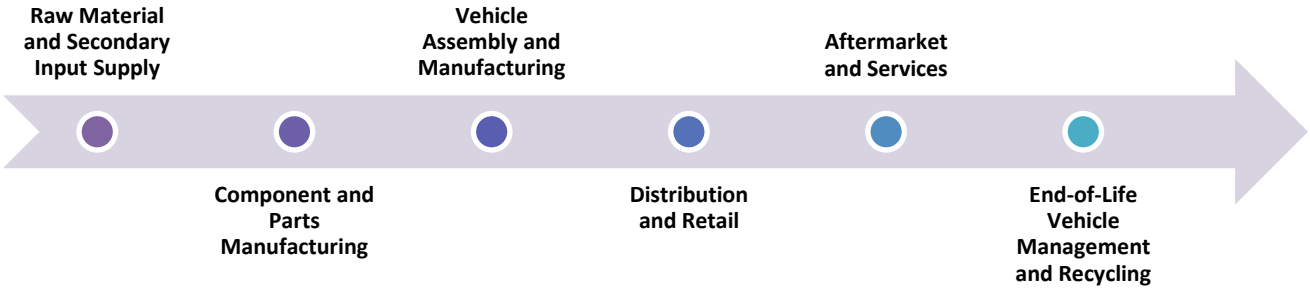
Beyond vehicle manufacturing, the automotive industry encompasses an extensive network of original equipment manufacturers, tier-wise component suppliers, dealerships, service centres and logistics providers that collectively form one of the most complex and integrated industrial value chains in existence. In recent years, the industry has undergone significant transformation driven by evolving consumer preferences, tightening emission and safety regulations, rapid advancements in electric vehicle technology and the growing adoption of connected and autonomous vehicle platforms, collectively reshaping the competitive landscape and long-term growth trajectory of the sector.

In India, the automotive industry has grown into one of the largest in the world, supported by a sizeable domestic market, a well-established manufacturing base, a diverse and capable ancillary ecosystem and a policy environment that has consistently prioritised the sector's development. The industry plays a significant role in India's industrial and economic landscape, contributing meaningfully to manufacturing output, export earnings and employment generation, while continuing to evolve in response to domestic and global trends shaping the future of mobility.

### 3.2 Market Segmentation- Automotive Industry

| Segmentation Type | Segment | Description |
|---|---|---|
| **By Vehicle Type** | Two-Wheelers (2W) | Largest segment by volume comprising motorcycles, scooters, and mopeds primary mode of personal mobility across urban, semi-urban, and rural markets |
| | Three-Wheelers (3W) | Serves last-mile passenger and goods transport. key segments include autorickshaws, e-rickshaws, and cargo three-wheelers |
| | Passenger Vehicles (PV) | Covers hatchbacks, sedans, and utility vehicles increasingly dominated by SUVs and MPVs driven by rising consumer aspirations |
| | Commercial Vehicles (CV) | Encompasses light, medium, and heavy trucks and buses demand closely linked to freight activity, infrastructure spending, and fleet replacement |
| | Tractors | Agriculturally driven segment demand shaped by monsoon performance, farm income levels, and rural credit availability |
| **By Fuel Type** | Petrol/ Ethanol | Dominant fuel type across two-wheelers and entry-level passenger vehicles; increasingly blended with ethanol under government mandate |
| | Diesel | Primary fuel for commercial vehicles, tractors, and mid-to-large SUVs faces gradual share erosion in the passenger vehicle segment |
| | CNG / LPG | Fast-growing alternative fuel powertrain in passenger vehicles and three-wheelers preferred in high-mileage urban commuter applications |
| | Electric (EV) | Fastest-growing powertrain category currently dominant in three-wheelers and gaining share in two-wheelers and passenger vehicles |
| | Hybrid | Emerging category in passenger vehicles combining internal combustion and electric powertrains positioned as a transition technology |
| **By End Use** | Personal Mobility | Includes two-wheelers and passenger vehicles purchased for individual and household commuting needs |
| | Commercial / Fleet | Covers trucks, buses, tempos, and fleet-operated cabs and auto-rickshaws demand driven by economic activity and logistics growth |
| | Agricultural | Tractors and farm equipment vehicles end-use tied directly to agricultural cycles, crop output, and rural income levels |
| | Institutional / Government | Government Buses, defence vehicles, and municipal fleet procurement driven by public infrastructure and policy mandates |

## 3.3 Value Chain Analysis- Automotive Industry




The automotive industry operates through an interconnected value chain comprising raw material suppliers, component manufacturers, vehicle assemblers, distribution networks and end-of-life management channels. The efficiency of each stage plays a critical role in determining product quality, production economics, profitability and overall industry competitiveness.

1. **Raw Material and Secondary Input Supply**

   The value chain originates at the raw material stage involving the extraction, processing and supply of key inputs including steel, aluminium, copper, rubber, glass and plastics that form the foundational materials for vehicle manufacturing. Secondary aluminium producers play an increasingly significant role by supplying recycled aluminium ingots and alloys to automotive component manufacturers as a cost-efficient and sustainable alternative to primary aluminium. The availability, quality and pricing of key raw materials significantly influence component manufacturing costs and overall vehicle production economics.

2. **Component and Parts Manufacturing**

   Component manufacturers procure raw materials and process them into automotive parts and sub-assemblies supplied to vehicle manufacturers through a multi-tiered ancillary network. This stage encompasses engine and powertrain components, transmission systems, body structural parts, electrical systems and interior and exterior trims. Die-casting units are significant consumers of secondary aluminium ingots, converting recycled alloys into precision-cast components used across vehicle segments. Product quality and adherence to original equipment manufacturer specifications are key determinants of supplier qualification and retention.

3. **Vehicle Assembly and Manufacturing**

   Original equipment manufacturers integrate procured components into finished vehicles through automated and semi-automated assembly lines involving body fabrication, powertrain assembly, painting, final assembly and quality inspection. Original equipment manufacturers maintain tight control over supplier qualification and production processes to ensure safety compliance and regulatory conformance. This stage is characterised by high capital intensity, economies of scale and significant investment in manufacturing technology and process automation.

4. **Distribution and Retail**

   Finished vehicles are distributed to end consumers through manufacturer-authorised dealer networks, fleet sales channels and institutional procurement routes. This stage encompasses vehicle logistics, inventory management, financing and insurance facilitation and pre-delivery inspection. Strong dealer relationships, financing availability and after-sales service quality are important competitive factors at this stage of the value chain.

5. **Aftermarket and Services**

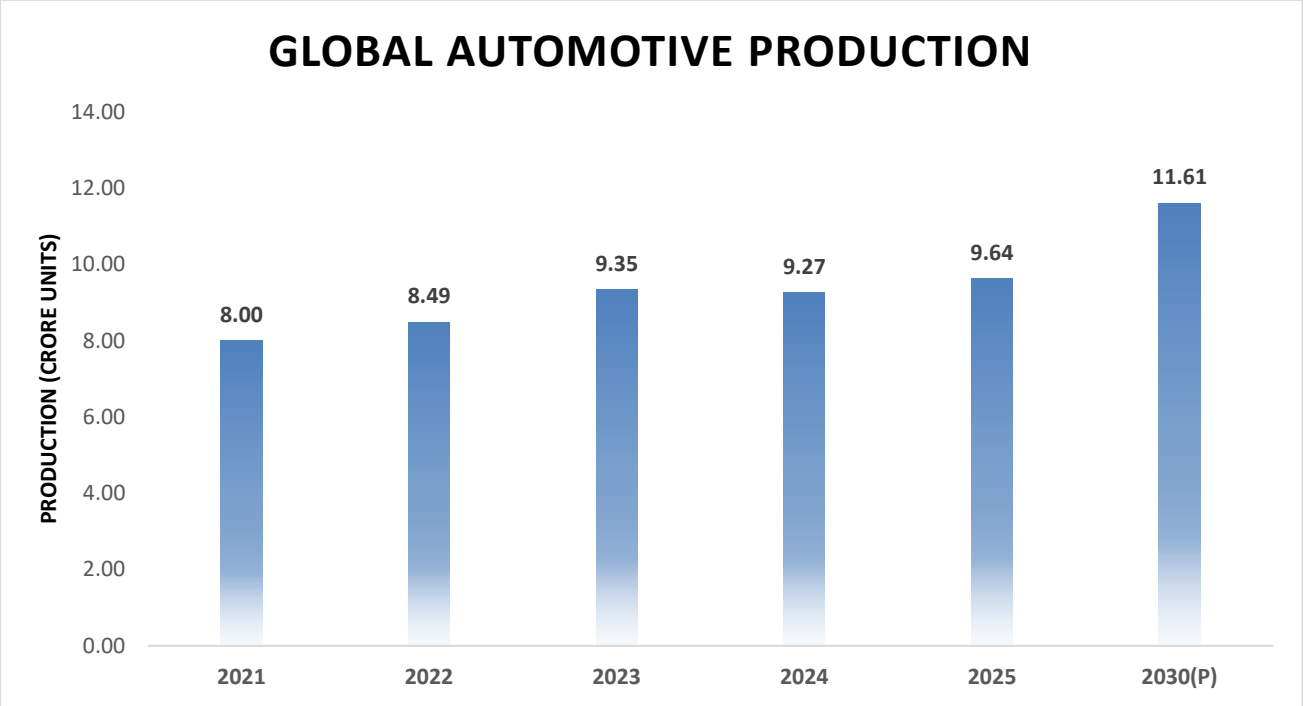
   Post-sale, vehicle owners engage with the aftermarket for maintenance, repair and replacement of parts and consumables through authorised service centres, multi-brand workshops and organised spare parts retail channels. The aftermarket segment represents a significant and recurring revenue opportunity driven by the expanding vehicle parc, increasing average vehicle age and rising consumer preference for periodic vehicle maintenance and upkeep.

6. **End-of-Life Vehicle Management and Recycling**

   Vehicles reaching the end of their operational life are dismantled at registered scrapping facilities to recover reusable components, ferrous and non-ferrous metals, rubber, glass and plastics. Recovered aluminium scrap re-enters the secondary aluminium supply chain as a key raw material input, creating a closed-loop material flow connecting the

recycling industry back to the raw material stage. This circularity is increasingly formalised through the National Vehicle Scrappage Policy and Extended Producer Responsibility frameworks.

### 3.4 Global Automotive Production




***Source:*** *International Organization of Motor Vehicle Manufacturers*, Infomerics Analytics and Research.

***Note:*** P=Projected

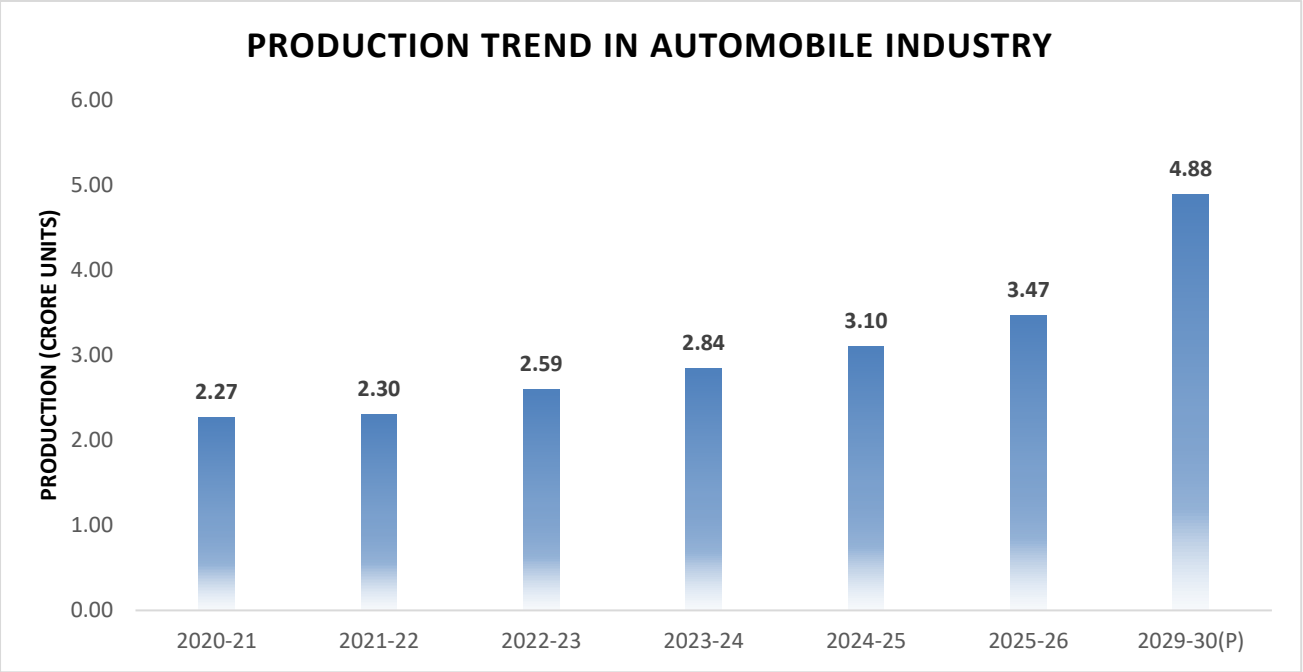
***The above data pertains only to the Personal Vehicles (PV) and Commercial Vehicles (CV) segments and excludes other automotive categories such as two-wheelers, three-wheelers, and tractors.***

***Data for Audi, BMW, JLR and Mercedes in the PV segment, and Scania, Daimler Trucks and Volvo Buses in the CV segment is not reported.***

Global automotive production has demonstrated a consistent upward trajectory over the period from 2021 to 2025, rising from 8.00 crore units in 2021 to 9.64 crore units in 2025, reflecting sustained recovery across major manufacturing economies following the disruptions witnessed during the COVID-19 pandemic period. Production is further projected to reach 11.61 crore units by 2030, underscoring the robust long-term growth outlook for the global automotive manufacturing sector.

The data pertains to passenger vehicles and commercial vehicles only and excludes two-wheelers, three-wheelers and tractors. The sustained expansion in global vehicle production volumes has reinforced activity across the broader automotive manufacturing ecosystem, generating consistent demand for raw materials, processed metal inputs and precision-manufactured components at each stage of the value chain. As global vehicle output continues to scale, the upstream industrial linkages supporting component manufacturing and assembly operations are expected to strengthen correspondingly, underpinning the long-term demand outlook across the wider ecosystem of suppliers and input providers serving the automotive sector.

### 3.5 Indian Automotive Production



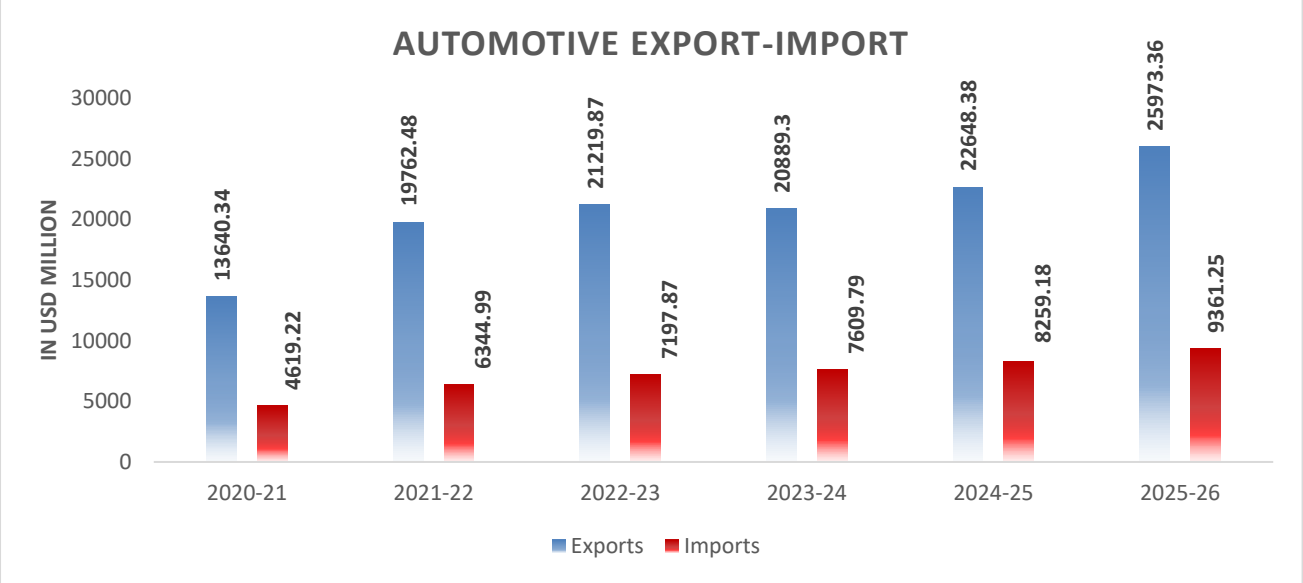

***Source:*** CMIE, Infomerics Analytics and Research.

***Note:*** P= Projected

India's automobile production has demonstrated a consistent upward trajectory over the period from FY 2020-21 to FY 2025-26, rising from 2.27 crore units in FY 2020-21 to 3.47 crore units in FY 2025-26, reflecting sustained recovery and growth momentum across vehicle segments. Production is further projected to reach 4.88 crore units by FY 2029-30, underscoring the robust long-term growth outlook for the Indian automotive manufacturing sector.

The sustained expansion in vehicle production volumes has reinforced activity across the broader automotive manufacturing ecosystem, generating consistent demand for raw materials, processed metal inputs and precision-manufactured components at each stage of the value chain. As domestic vehicle output continues to scale, the upstream industrial linkages supporting component manufacturing and assembly operations are expected to strengthen correspondingly, underpinning the long-term demand outlook across the wider ecosystem of suppliers and input providers serving the automotive sector.

3.6 **Trade Dynamics- Automotive Industry**



***Source:*** MEIDB

***Note:*** (Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.)

India's automotive exports have recorded consistent growth over the period from FY 2020-21 to FY 2025-26, rising from USD 13,640.34 million to USD 25,973.36 million, reflecting the growing global competitiveness of India's automotive manufacturing sector and the expanding international presence of domestic original equipment manufacturers across key markets in Asia, Africa, Latin America and Europe. Automotive imports over the same period increased from USD 4,619.22 million to USD 9,361.25 million, driven by rising domestic demand for premium vehicles, specialised components and advanced automotive technologies.

India has consistently maintained a favourable trade balance in the automotive sector throughout the period under review, with the trade surplus widening from USD 9,021.12 million in FY 2020-21 to USD 16,612.11 million in FY 2025-26, underscoring the sector's position as a net exporter and its growing contribution to India's overall merchandise export earnings. The sustained expansion in export volumes is reflective of improving product quality benchmarks, competitive cost structures and increasing acceptance of India-manufactured vehicles in international markets.

The broad-based growth in vehicle production and exports has reinforced activity across the entire automotive manufacturing ecosystem, generating sustained demand for raw materials, processed inputs and precision-manufactured components at each stage of the value chain, thereby strengthening the overall industrial linkages that support the sector's long-term growth trajectory.

**Top Exporting Destination**



| U.S. A | Mexico | South Africa | Saudi Arabia | U.A. E |
|---|---|---|---|---|
| 9% | 7% | 7% | 6% | 5% |

***Source:*** MEIDB

***Note:*** (Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.)

Among India's top automotive export destinations, the United States accounts for the largest share at 9%, followed by Mexico and South Africa at 7% each, Saudi Arabia at 6% and the United Arab Emirates at 5%, with the remaining 66% distributed across other international markets. The geographic diversity of India's automotive export base reflects the growing acceptance of India-manufactured vehicles and components across both developed and emerging economies, underpinning the sector's expanding global footprint.

**Top Importing Destination**



| China | Japan | Germany | South Korea | U.S.A |
|---|---|---|---|---|
| 31% | 17% | 11% | 9% | 6% |

***Source:*** MEIDB

***Note:*** (Vehicles other than railway or tramway rolling stock, and parts and accessories thereof.)

On the import side, China remains the dominant source of automotive imports into India at 31%, followed by Japan at 17%, Germany at 11%, South Korea at 9% and the United States at 6%, with the remaining 26% sourced from other countries. The import composition is largely reflective of India's procurement of premium vehicles, advanced automotive components and specialised technologies from established global automotive manufacturing economies.

## PART B –METAL RECYCLING INDUSTRY

### 3.7 Introduction- Metal Recycling industry

The metal recycling industry is one of the most essential and resource-efficient segments of the global industrial economy, encompassing the collection, segregation, processing and remelting of ferrous and non-ferrous scrap materials including steel, aluminium, copper, zinc and lead, along with the broader ecosystem of scrap traders, processors, secondary metal manufacturers and ancillary service providers that support the recovery and reuse of metallic resources across industrial value chains. The industry serves as a critical enabler of sustainable manufacturing, reducing dependence on virgin raw material extraction, lowering energy consumption and carbon emissions in metal production and supporting the circular economy objectives of governments and industries across geographies.

Beyond primary scrap processing, the metal recycling industry encompasses an extensive network of scrap aggregators, material recovery facilities, secondary smelters and refiners, alloy manufacturers and industrial consumers that collectively form a deeply integrated supply chain connecting end-of-life material streams to active manufacturing inputs. In recent years, the industry has undergone significant transformation driven by tightening environmental regulations, rising raw material costs, growing adoption of extended producer responsibility frameworks, increasing formalisation of scrap collection and processing infrastructure and heightened focus on decarbonisation of energy-intensive manufacturing sectors, collectively reshaping the competitive landscape and long-term growth trajectory of the recycling ecosystem.

In India, the metal recycling industry has emerged as a strategically important segment of the broader industrial economy, supported by a large and growing base of scrap generation, an extensive network of organised and unorganised recyclers, increasing policy focus on circular economy transition and a regulatory environment that has progressively prioritised formalisation of end-of-life material management. The industry plays a significant role in India's resource efficiency and sustainability agenda, contributing meaningfully to reducing import dependence on primary metals, supporting domestic manufacturing competitiveness and generating widespread employment across skilled and unskilled categories, while continuing to evolve in response to domestic and global trends shaping the future of sustainable industrial production.

### 3.8 Global Metal Recycling Landscape

Metal recycling is an important component of the global circular economy, with steel scrap representing one of the largest recycled metal streams globally. According to the OECD, more than 630 million tonnes (MT) of recycled steel were used for steelmaking in 2022, accounting for around 30% of the total metallic input used in global steel production. China was the largest consumer of recycled steel, accounting for nearly 35% of global scrap use, followed by the European Union and the United States.

The global steel scrap ecosystem is supported by significant international trade, although scrap availability remains uneven across regions. Around 65 MT of steel scrap was traded internationally in 2022, with the United States and European Union together accounting for approximately 54% of global exports. India and Türkiye were the two largest importers, together accounting for around half of global steel scrap imports. The OECD also identifies potential scrap supply constraints in emerging markets, including India, Africa and ASEAN, partly due to limitations in scrap collection and recycling infrastructure.

Global scrap availability is expected to increase substantially as the large stock of steel products currently in use reaches the end of its useful life. The OECD estimates that external scrap availability could double from around 600 MT in 2019 to more than 1,200 MT by 2050 based on historical recovery rates. Under an increased and accelerated recovery scenario, global availability could reach around 1,350 MT by 2050, alongside a significant increase in electric-furnace steelmaking. The OECD estimates electric-furnace production could rise from 510 MT in 2019 to 1,340 MT by 2050, increasing the strategic importance of scrap as a steelmaking input.

Aluminium recycling also forms an important part of the global metal recycling ecosystem. The International Aluminium Institute estimates that more than 30 MT of aluminium scrap is recycled globally each year, while almost 75% of the 1.5 billion tonnes of aluminium produced historically remains in use. Aluminium can also be recycled repeatedly without loss of quality, supporting its continued use as a secondary raw material across multiple applications.

Overall, the global metal recycling landscape is being shaped by rising scrap availability, increasing utilisation of recycled metal in steelmaking, growth in electric-furnace capacity and the need to reduce the environmental footprint of primary metal production. This is expected to increase the importance of organised scrap collection, processing and distribution infrastructure, particularly in regions where recycling capacity and scrap supply remain relatively underdeveloped.

### 3.9 Indian Metal Recycling Landscape

India's metal recycling industry is an important component of the country's broader transition towards a circular economy, with ferrous scrap forming the largest and most established segment of the recycling ecosystem. The sector is supported

by the growing generation of end-of-life metal scrap from automobiles, construction and infrastructure, industrial equipment, consumer durables and manufacturing activities. In the steel sector, scrap is an important secondary raw material, particularly for electric arc furnace (EAF) and induction furnace-based steelmaking. The Government of India has accordingly sought to strengthen the domestic scrap collection, processing and recycling ecosystem through the Steel Scrap Recycling Policy, 2019, which aims to promote organised and environmentally sound collection, dismantling, processing and recycling of ferrous scrap

The scale of scrap utilisation in India has increased in recent years. According to the Ministry of Steel, steel scrap consumption increased from 25.58 million tonnes (MT) in FY2019 to 33.36 MT in FY2024, while domestic scrap generation increased by 5.65 MT during the same period. The expansion of scrap-based steelmaking has also been supported by growth in EAF capacity, which increased from 40.51 MT in FY2019-20 to 43.99 MT in FY2025-26. Further, as of March 2026, 134 Registered Vehicle Scrapping Facilities (RVSFs) were operational across 22 States and Union Territories, with these facilities having scrapped 4,65,393 vehicles. The development of organised vehicle-scrapping infrastructure is expected to improve the formal collection and processing of end-of-life vehicles, which represent an important source of ferrous and non-ferrous scrap.

Despite the increasing availability and utilisation of scrap, domestic supply remains insufficient relative to the country's future requirements. India's crude steel production stood at approximately 144 MT in FY2023-24, of which around 21% was produced through the ferrous scrap route. Approximately 25% of the scrap used, equivalent to nearly 9 MT, was imported, highlighting the continuing dependence on external sources for scrap availability and quality. Looking ahead, the Steel Scrap Recycling Policy estimates that India would require around 70–80 MTPA of scrap by 2030 to support the targeted production of 250 MTPA of steel. Meeting this requirement is estimated to require at least 700 scrap processing centres and around 2,800–3,000 collection and dismantling centres, indicating significant scope for expansion of organised recycling and scrap-processing infrastructure.

The non-ferrous recycling segment, particularly aluminium, also represents a significant opportunity. The Indian Bureau of Mines estimates India's overall metal recycling rate at around 25% and notes that aluminium scrap recovery has historically been dominated by the unorganised sector, particularly in utensil and casting applications. Recycled aluminium production from old scrap increased from around 1 MT in 1980 to 20 MT in 2019, while the proportion of recycled aluminium is expected to increase further with greater formalisation of scrap collection and recycling. However, the sector continues to face challenges relating to fragmented collection networks, limited organised recycling capacity and the use of outdated processing technologies.

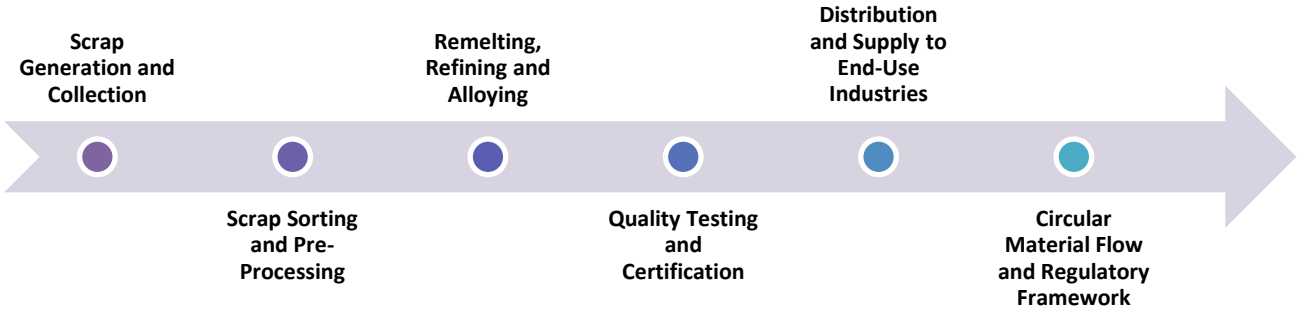
Overall, India's metal recycling industry remains relatively underpenetrated but structurally attractive, supported by rising metal consumption, increasing end-of-life scrap generation, expansion of scrap-based steelmaking, vehicle scrappage and greater policy emphasis on resource efficiency. The key opportunity lies in the formalisation of scrap collection and processing, development of organised recycling facilities and improvement in recovery rates across both ferrous and non-ferrous metals. The Government's continuing focus on scrap recycling infrastructure is therefore expected to support the transition from a fragmented recycling ecosystem towards a more organised and resource-efficient industry.

**3.10 Market Segmentation- Metal Recycling industry**

| Segmentation Type | Segment | Description |
|---|---|---|
| **By Metal Type** | Ferrous Scrap | Largest segment by volume comprising iron and steel scrap recovered from end-of-life vehicles, industrial machinery, construction demolition and manufacturing waste, processed and supplied to steel producers for remelting and secondary steel production. |
| | Non-Ferrous Scrap | Covers aluminium, copper, zinc and lead scrap recovered from industrial waste, end-of-life vehicles and electrical equipment, processed into secondary metal ingots and alloys for use across automotive, electrical and engineering industries. |
| | Precious and Special Metals | Includes gold, silver, platinum and rare earth elements recovered primarily from e-waste and electronic scrap through specialised dismantling and processing operations. |
| **By Source of Scrap** | Industrial and Manufacturing Scrap | Scrap generated from manufacturing processes including offcuts, rejected components, dross and process waste sourced directly from industrial units and factories. |

| | | |
|---|---|---|
| | End-of-Life Vehicles | Ferrous and non-ferrous metals recovered from vehicles that have reached the end of their operational life through registered vehicle scrapping facilities under the National Vehicle Scrappage Policy. |
| | E-Waste and Electronic Scrap | Metals recovered from discarded electronic equipment, printed circuit boards, cables and batteries through specialised dismantling and processing operations. |
| | Post-Consumer Scrap | Scrap generated from household and commercial waste streams including used packaging, consumer durables and construction demolition material. |
| **By End Use** | Automotive | Secondary metal inputs consumed by automotive component manufacturers and die-casting units for production of engine parts, transmission housings, structural components and body assemblies. |
| | Electrical and Electronics | Recycled copper and aluminium consumed by cable manufacturers, transformer producers and electronics assemblers as cost-efficient alternatives to primary metal inputs. |
| | Construction and Infrastructure | Recycled steel and aluminium consumed in structural, finishing and electrical applications across residential, commercial and infrastructure construction projects. |
| | Engineering and Industrial | Secondary metals consumed by manufacturers of industrial machinery, pumps, valves and precision components for casting and machining operations. |

### 3.11 Value Chain Analysis- Metal Recycling industry




The metal recycling industry operates through an interconnected value chain comprising scrap generators, aggregators, processors, secondary metal manufacturers and end-use industrial consumers. The efficiency of each stage plays a critical role in determining material recovery rates, product quality, production economics and overall industry competitiveness.

1. **Scrap Generation and Collection**

   The value chain originates at the scrap generation stage involving the collection and aggregation of ferrous and non-ferrous metal waste from end-of-life vehicles, industrial units, construction sites and post-consumer waste streams. Scrap aggregators and traders play a critical role by sourcing and channelling material flows from geographically dispersed generation points toward processing facilities. The availability, quality and consistency of scrap supply significantly influence downstream processing economics and secondary metal output quality.

2. **Scrap Sorting and Pre-Processing**

   Aggregated scrap is sorted and segregated based on metal type, grade and composition before being directed to appropriate processing facilities. This stage involves magnetic separation, shredding, cutting and removal of contaminants including coatings, plastics and moisture to improve material suitability for remelting. The quality of sorting and pre-processing operations directly determines recovery yields and consistency of secondary metal outputs.

3. **Remelting, Refining and Alloying**

   Sorted scrap is charged into furnaces for controlled melting, refining and alloying to produce secondary metal outputs conforming to specified chemical compositions and quality standards. This stage involves temperature control, fluxing and drossing operations, addition of alloying elements and in-process quality testing to ensure conformance with

customer specifications. Process efficiency, metal recovery rates and product consistency are key competitive determinants at this stage.

4. **Quality Testing and Certification**

   Secondary metal outputs undergo comprehensive quality inspection prior to dispatch, encompassing chemical composition analysis, mechanical property verification and surface quality assessment. Testing is conducted through in-house laboratories to ensure finished products conform to customer specifications and applicable industry standards. Batch identification, alloy coding and traceability documentation are maintained to support quality management across downstream supply chains.

5. **Distribution and Supply to End-Use Industries**

   Finished secondary metal products are supplied to automotive component manufacturers, electrical and electronics producers, engineering manufacturers and construction sector consumers through direct sales and established distribution networks. Consistent product quality, reliable supply and competitive pricing are key factors governing customer retention and market positioning at this stage

6. **Circular Material Flow and Regulatory Framework**

   The metal recycling value chain is inherently circular, with secondary metal outputs re-entering the manufacturing ecosystem as raw material inputs that displace primary metal consumption. This circularity is increasingly formalised through the National Vehicle Scrappage Policy, Extended Producer Responsibility frameworks and the Ministry of Mines National Non-Ferrous Metal Scrap Recycling Framework, collectively incentivising greater recovery and reuse of secondary materials within the Indian industrial ecosystem.

### 3.12 Transition from Primary to Secondary sourcing in Manufacturing

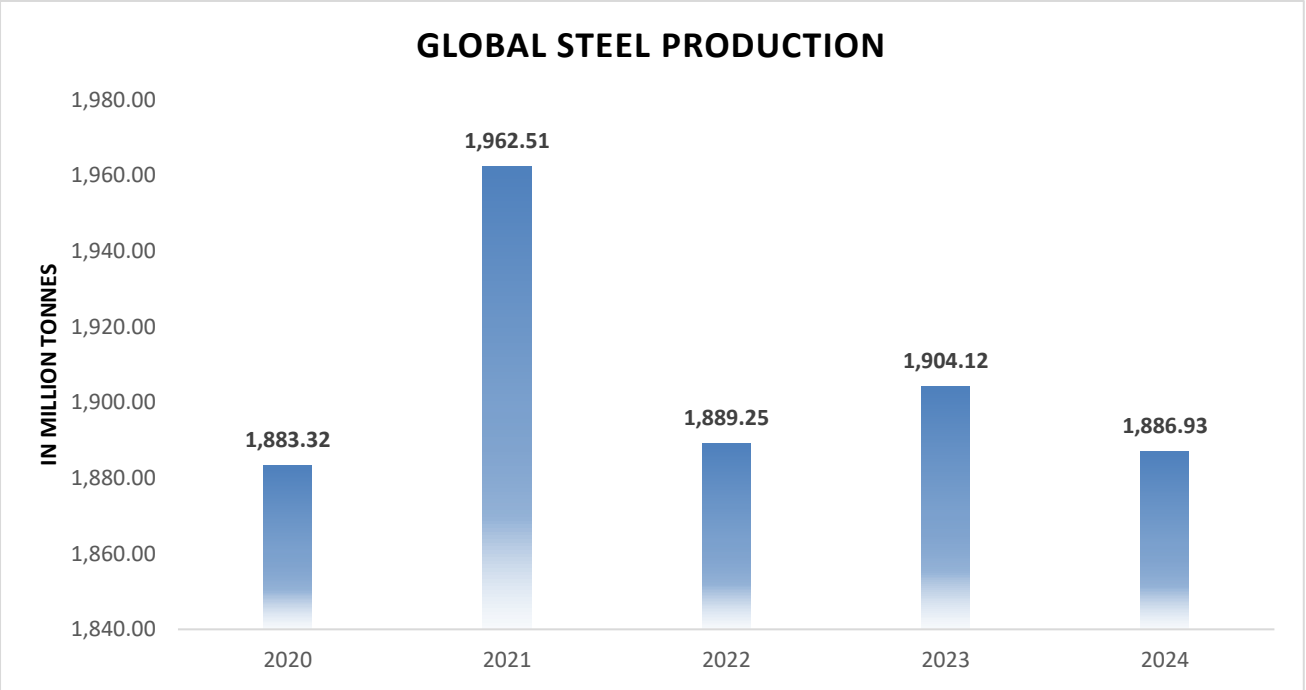
- **Cost Efficiency of Recycled Metals -** Recycled metals such as aluminium, copper, and steel require significantly less energy to process compared to primary extraction from ore. This translates into lower input costs for manufacturers, making secondary sourcing an economically viable and competitive option—especially during periods of commodity price volatility.
- **Environmental compliance and Sustainability -** Manufacturing using secondary (recycled) metals drastically reduces carbon emissions, air and water pollution, and landfill waste. With growing pressure from ESG norms, manufacturers are aligning operations with sustainability goals to remain globally competitive.
- **Policy Incentives and Regulatory support -** The Government of India has introduced various schemes that Favor the use of recycled metals such as the Scrap Recycling

  Policy (2019) promotes the scientific processing of scrap to support secondary steel production. The Production Linked Incentive (PLI) Scheme for Specialty Steel encourages value-added manufacturing, often using recycled inputs and Extended Producer Responsibility (EPR) under e-waste and battery rules mandates recycling of end-of-life products, pushing OEMs to build circularity into sourcing.
- **Adoption by Indian Industry** - The Green Steel initiative, spearheaded by the Ministry of Steel, promotes the usage of scrap in Electric Arc Furnaces (EAFs) and Induction Furnaces to cut emissions and enhance energy efficiency.
- **Global Alignment with Circular Economy** - India's transition mirrors global trends, particularly in the EU, USA, and Japan, where recycled content mandates and carbon border adjustment mechanisms (CBAM) are pressuring manufacturers to shift to low-carbon, recycled inputs. As global supply chains become more traceable and carbon-sensitive, Indian exporters are being incentivized to meet recycled content benchmarks to retain market access.

  In summary, the shift from primary to secondary sourcing is a structural transformation in India's manufacturing landscape—driven by economics, environmental imperatives, and regulatory direction—and will be central to achieving long-term industrial sustainability.

### 3.13 Ferrous Metal

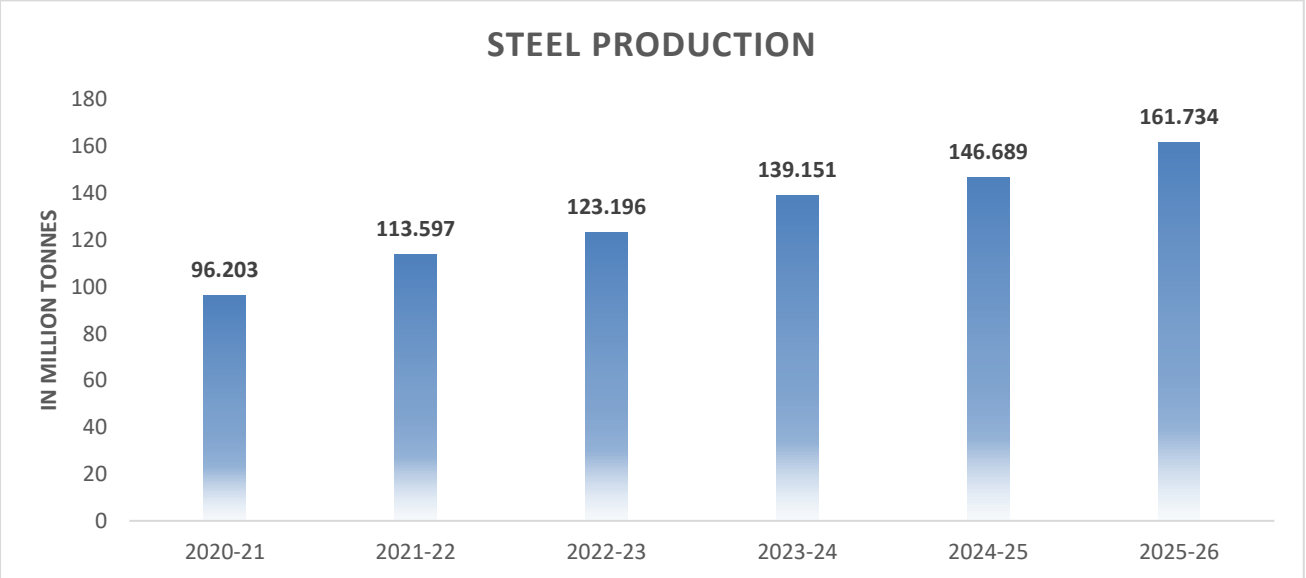
**Global Steel Production**




***Source:*** World Steel Association

Global steel production has exhibited a volatile and non-linear trajectory over the period from 2020 to 2024, reflecting the significant influence of macroeconomic disruptions, geopolitical developments and structural shifts in key steel-consuming economies on global output levels. Production recovered sharply from 1,883.32 million tonnes in 2020 to a peak of 1,962.51 million tonnes in 2021, driven by strong post-pandemic demand recovery across construction, infrastructure and automotive sectors globally. However, output declined significantly to 1,889.25 million tonnes in 2022, primarily on account of a pronounced slowdown in China's real estate sector — the single largest consumer of steel globally — compounded by energy supply disruptions in Europe arising from the Russia-Ukraine conflict and broad-based tightening of global financial conditions. A modest recovery to 1,904.12 million tonnes in 2023 was supported by improving demand in India and other emerging economies, though this was partially offset by continued weakness in Chinese construction activity. Production moderated again to 1,886.93 million tonnes in 2024, reflecting persistent headwinds from subdued global manufacturing activity and ongoing structural adjustments in China's property and infrastructure sectors. Overall, global steel production over the review period has remained range-bound between approximately 1,880 and 1,960 million tonnes, with China's demand dynamics serving as the dominant swing factor influencing year-on-year output variations.

**Indian Steel Production**



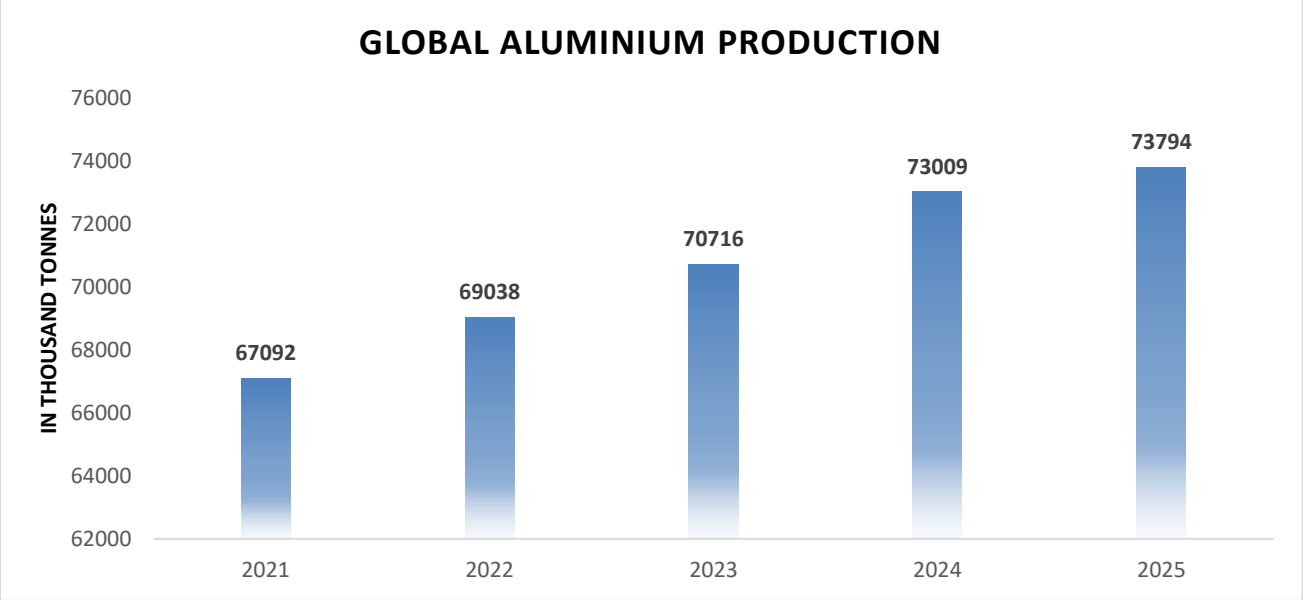
***Source:*** CMIE

India's finished steel production has witnessed a robust and consistent upward trajectory over the period from FY 2020-21 to FY 2025-26, reaffirming the country's position as one of the leading steels producing nations globally. As per data from CMIE, finished steel production grew from 96.203 million tonnes in FY 2020-21 to 161.734 million tonnes in FY 2025-26, reflecting a strong and sustained expansion in domestic steel manufacturing capacity and output across the review period.

The consistent growth in finished steel production is underpinned by robust demand from key consuming sectors including construction and infrastructure, automotive, railways, capital goods and consumer durables, along with significant government investment in infrastructure development and manufacturing capacity augmentation under various national programmes. The expanding share of scrap-based steel production through electric arc furnaces and induction furnaces has further supported output growth, while simultaneously aligning India's steel sector with its broader objectives of resource efficiency, decarbonisation and circular economy transition. The sustained increase in finished steel output reinforces the growing availability of ferrous scrap as a key secondary raw material input, strengthening the overall ecosystem for metal recycling and secondary metal manufacturing in India.

### 3.14 Non-Ferrous Metal

**Global Primary Aluminium Production**

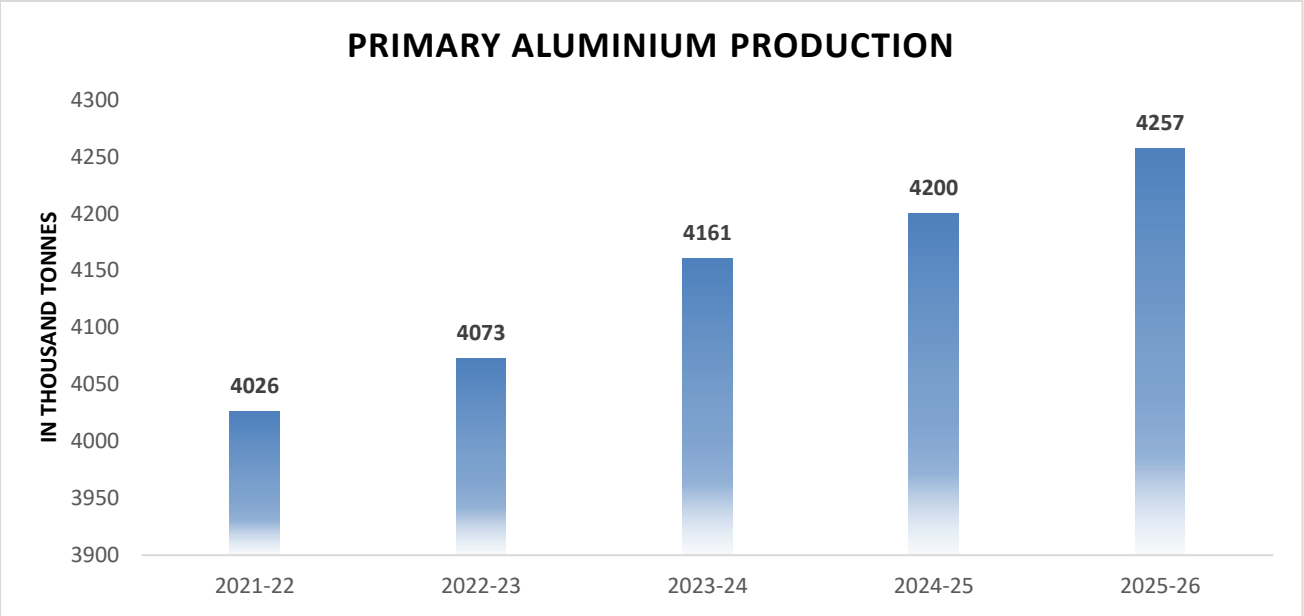



***Source:*** International Aluminium Institute

Global primary aluminium production has recorded a steady and consistent upward trajectory over the period from 2021 to 2025, rising from 67,092 thousand tonnes in 2021 to 73,794 thousand tonnes in 2025, as per data sourced from the International Aluminium Institute. The sustained growth in global primary aluminium output reflects expanding smelting capacity across major producing nations, growing industrial demand and increasing consumption of aluminium across key end-use sectors including automotive, electrical, construction and packaging.

The consistent rise in global primary aluminium production is accompanied by a corresponding increase in aluminium scrap generation from manufacturing processes, industrial operations and end-of-life product streams, which collectively strengthen the raw material availability for secondary aluminium producers worldwide. As global aluminium consumption continues to scale across end-use industries, the volume of process scrap and post-consumer aluminium scrap re-entering the recycling ecosystem expands proportionately, supporting the feedstock supply chain for organised secondary aluminium manufacturing operations and reinforcing the long-term demand outlook for recycled aluminium ingots and alloys across industrial value chains.

**India Primary Aluminium Production**




***Source:*** CMIE

India's primary aluminium production has recorded a steady and consistent upward trajectory over the period from FY 2021-22 to FY 2025-26, rising from 4,026 thousand tonnes in FY 2021-22 to 4,257 thousand tonnes in FY 2025-26, as per data sourced from CMIE. The sustained growth in primary aluminium output reflects expanding domestic smelting capacity, stable bauxite and alumina availability and growing demand for aluminium across key consuming sectors including automotive, electrical, construction and consumer durables.

The consistent rise in primary aluminium production is accompanied by a corresponding increase in aluminium scrap generation from manufacturing processes, industrial operations and end-of-life product streams, which collectively strengthen the raw material availability for secondary aluminium producers. As domestic aluminium consumption scales across end-use industries, the volume of process scrap and post-consumer aluminium scrap re-entering the recycling ecosystem expands proportionately, supporting the feedstock supply chain for organised secondary aluminium manufacturing operations and reinforcing the long-term demand outlook for recycled aluminium ingots and alloys across industrial value chains.

**WPI Aluminium**

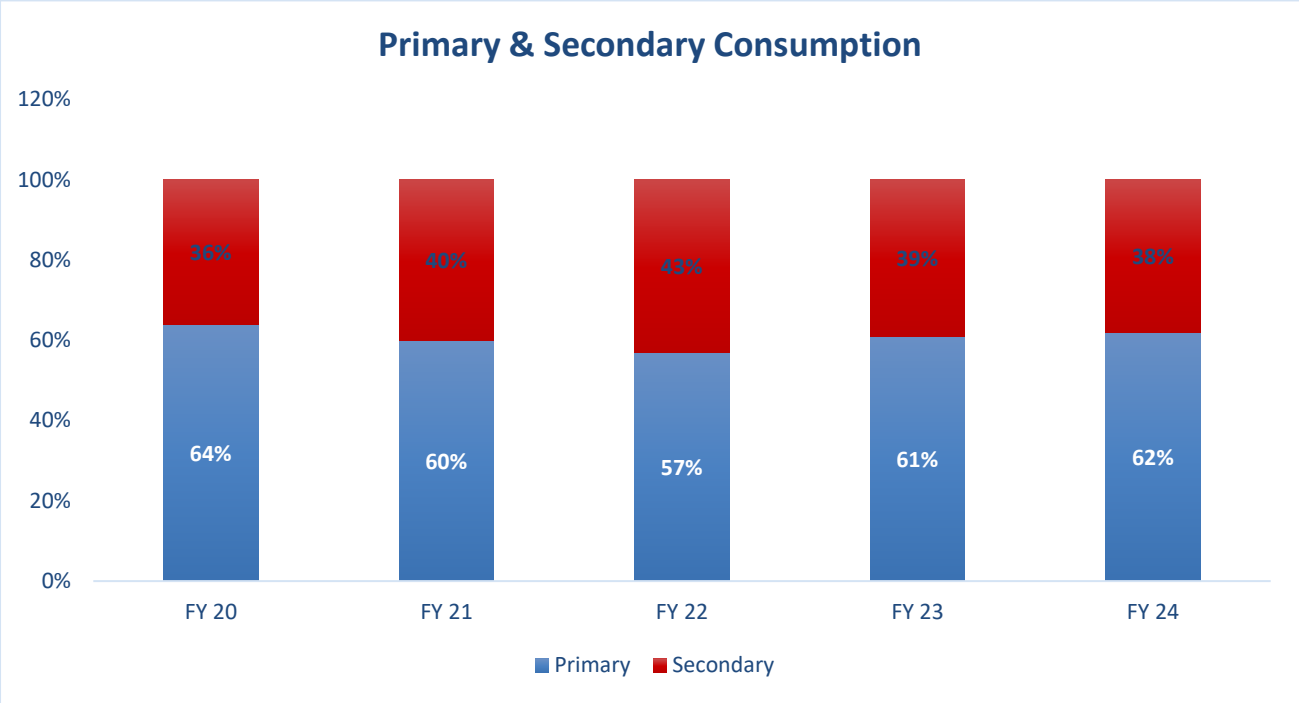
| Year | Aluminium ingot | Aluminium foil | Aluminium castings | Aluminium alloys |
|---|---|---|---|---|
| **2011-12** | 100 | 100 | 100 | 100 |
| **2012-13** | 105 | 102.4 | 105.4 | 103.3 |
| **2013-14** | 108.8 | 104.7 | 108.3 | 107.9 |
| **2014-15** | 113.5 | 112.6 | 115.9 | 115.5 |
| **2015-16** | 106.7 | 112.4 | 112.8 | 109.7 |
| **2016-17** | 108.1 | 112.5 | 105.7 | 111.6 |
| **2017-18** | 115.4 | 114.3 | 109.1 | 112 |
| **2018-19** | 119.6 | 117.3 | 111.7 | 115.6 |
| **2019-20** | 109.7 | 113.8 | 108.1 | 108 |
| **2020-21** | 113.8 | 115.9 | 109.3 | 110.4 |
| **2021-22** | 152.3 | 143.5 | 127.9 | 138.7 |
| **2022-23** | 158.9 | 155.3 | 137.5 | 163.9 |
| **2023-24** | 155.8 | 145.1 | 132.7 | 158.8 |
| **2024-25** | 172.9 | 152.6 | 135.2 | 166.5 |

| | | | | |
|---|---|---|---|---|
| **2025-26** | 183.4 | 158.8 | 142.7 | 177.8 |

**Source: CMIE**

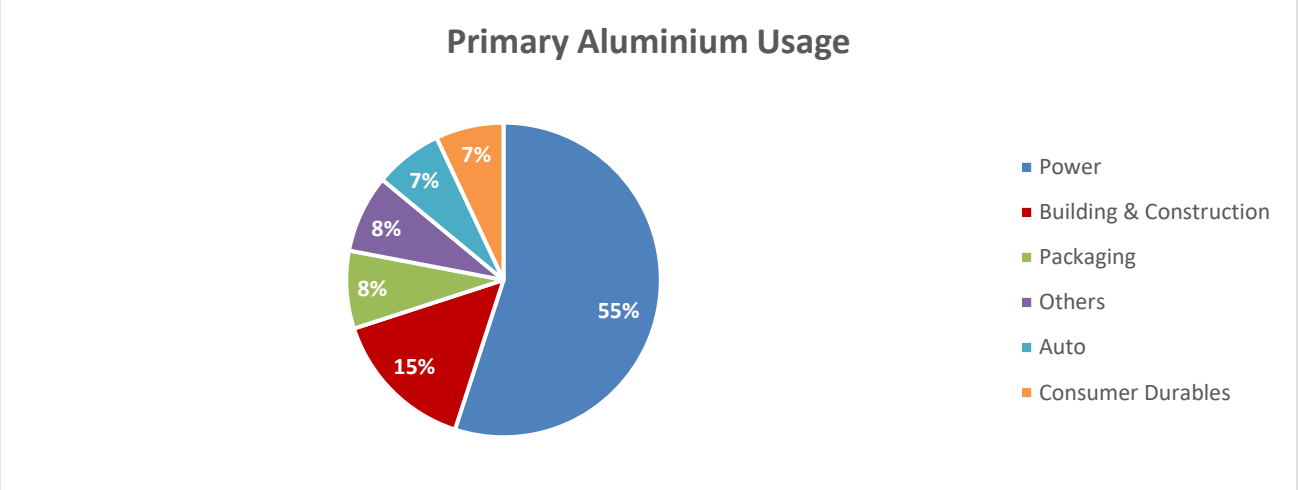
The WPI trends highlight a consistent and broad-based appreciation across all aluminium product categories over the review period. Aluminium ingots and alloys have recorded the strongest long-term price growth, driven by robust demand from automotive, electrical and engineering sectors alongside tightening scrap availability and rising input costs. Aluminium foil has witnessed steady but comparatively moderate appreciation, supported by consistent demand from packaging and pharmaceutical applications. Aluminium castings have recorded the most subdued price movement, reflecting relatively softer end-use demand and competitive cost pressures in industrial casting segments. Overall, ingots and alloys emerge as the dominant price drivers within the aluminium product basket, underpinned by strong downstream industrial consumption and growing adoption of recycled aluminium inputs across manufacturing value chains.

**Aluminium – Primary and Secondary Consumption**



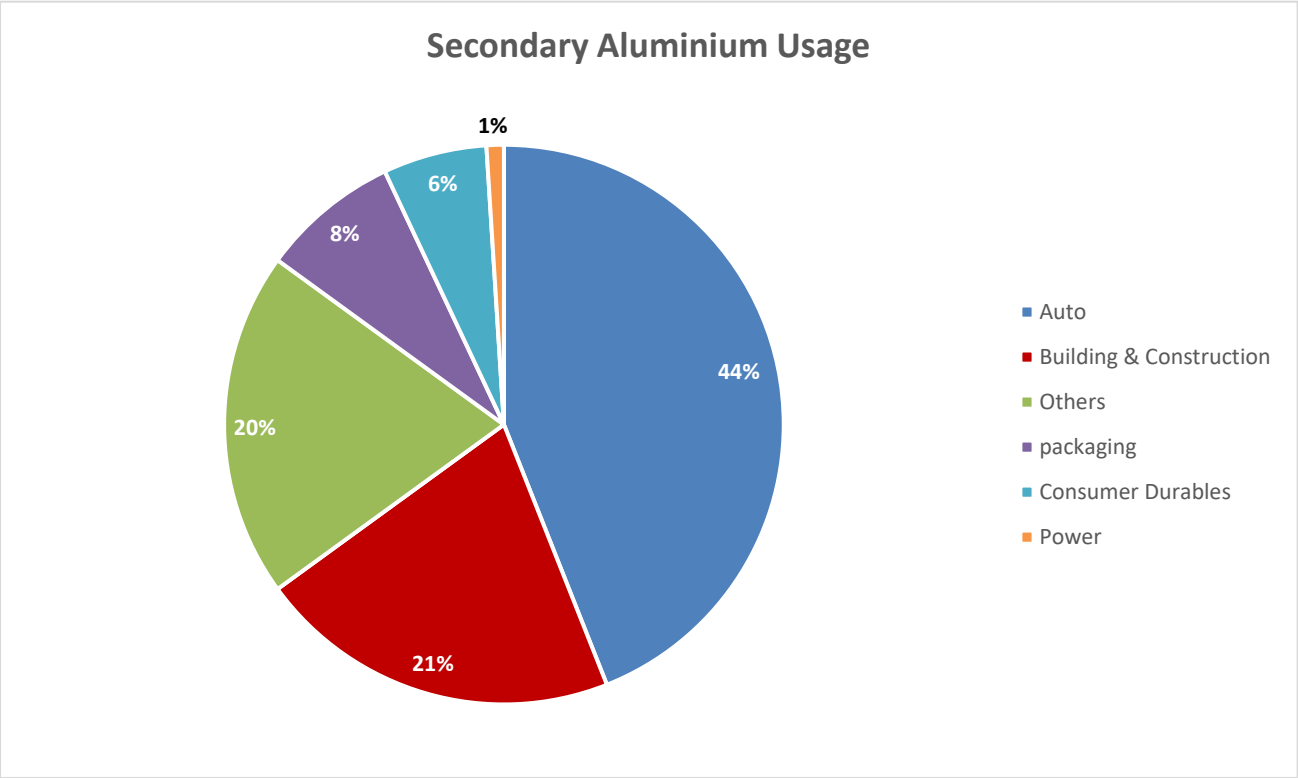

Source – Ministry of Mines (Vision Document on Aluminium Sector 2025)

**Sector wise Usage**



Source – Ministry of Mines (Vision Document on Aluminium Sector 2025)

**Secondary Aluminium Usage**

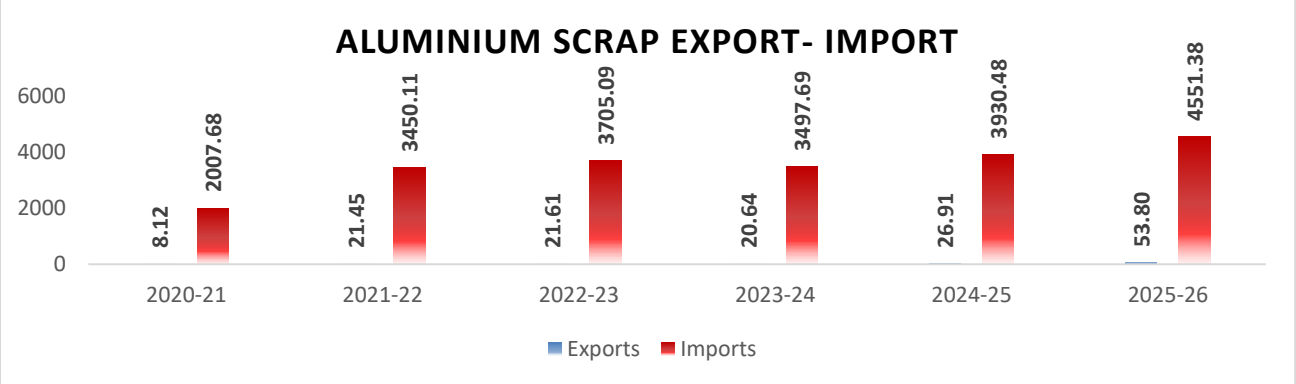



***Source*** – Ministry of Mines (Vision Document on Aluminium Sector 2025)

Primary aluminium is predominantly consumed in the power sector (55%) owing to its high purity requirements for conductors and transmission lines, followed by building and construction (15%) and packaging, automotive and consumer durables (7–8%). In contrast, secondary aluminium finds its largest application in the automotive industry (44%), particularly for die-cast components, given its cost efficiency and suitability for mass production. It also serves building and construction (21%), other industrial uses (20%), packaging (8%) and consumer durables (6%), while its presence in the power sector remains minimal (1%) due to lower purity levels.

Despite growing consumption, the secondary aluminium industry faces significant challenges including heavy dependence on imported scrap accounting for 85–90% of raw material requirements exposing recyclers to currency fluctuations, global price volatility and supply chain risks. Limited automation in sorting, cleaning and segregation activities further constrains productivity, quality control and scalability. Addressing these challenges requires coordinated investment in scrap collection infrastructure, adoption of advanced processing technologies and supportive policy frameworks encouraging wider use of recycled aluminium across end-use sectors.

**3.15 Trade Dynamics- Aluminium Scrap**



***Source:*** MEIDB

***Note:*** (Aluminium Scrap)

India's trade in aluminium scrap has been characterised by a significant and persistent import dependence over the period from FY 2020-21 to FY 2025-26, reflecting the structural reliance of the domestic secondary aluminium industry on imported scrap as its primary raw material feedstock. Aluminium scrap imports have grown substantially from USD 2,007.68 million in FY 2020-21 to USD 4,551.38 million in FY 2025-26, driven by the expanding processing capacity of secondary aluminium manufacturers and the limited availability of domestically generated post-consumer scrap relative to industry requirements.

Exports of aluminium scrap, while significantly smaller in scale, have recorded notable growth from USD 8.12 million in FY 2020-21 to USD 53.80 million in FY 2025-26, reflecting increasing outflows of process scrap and surplus material from domestic manufacturing operations. India's trade balance in aluminium scrap has remained consistently negative throughout the review period, widening from USD 1,999.56 million in FY 2020-21 to USD 4,497.58 million in FY 2025-26, underscoring the continued and growing dependence of the secondary aluminium sector on imported scrap to meet domestic processing requirements.

The sustained expansion in aluminium scrap imports reinforces the robust demand outlook for secondary aluminium processing operations in India, while simultaneously highlighting the strategic importance of strengthening domestic scrap collection and recovery infrastructure to reduce import dependence and improve supply chain resilience over the long term.

**Top Exporting Destination**

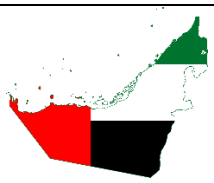
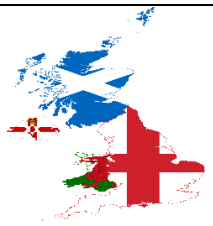
|  |  |  |  |  |
|---|---|---|---|---|
| **GREECE** | **SOUTH KOREA** | **THAILAND** | **JAPAN** | **U.S. A** |
| **45%** | **26%** | **13%** | **6%** | **3%** |

***Source:*** MEIDB

***Note:*** (Aluminium Scrap)

Among India's top aluminium scrap export destinations, Greece accounts for the largest share at 45%, followed by South Korea at 26%, Thailand at 13%, Japan at 6% and the United States at 3%, with the remaining 7% distributed across other international markets. The concentration of exports toward established secondary aluminium processing economies in Europe and Asia reflects the growing acceptance of India-origin aluminium scrap as a viable raw material input in global recycling and remelting operations.

**Top Importing Destination**

|  |  |  |  |  |
|---|---|---|---|---|
| **U.S. A** | **U.A. E** | **SAUDI Arabia** | **U K** | **AUSTRALIA** |
| **19%** | **11%** | **9%** | **8%** | **5%** |

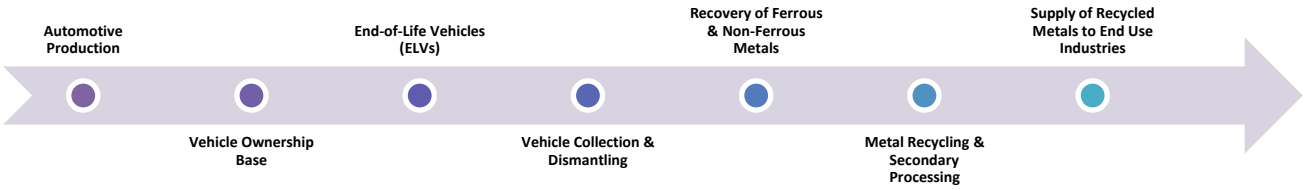
***Source:*** MEIDB

***Note:*** (Aluminium Scrap)

Among India's top aluminium scrap import sources, the United States accounts for the largest share at 19%, followed by the United Arab Emirates at 11%, Saudi Arabia at 9%, the United Kingdom at 8% and Australia at 5%, with the remaining 48% sourced from other countries across the globe. The diversity of India's aluminium scrap import base across developed

economies in North America, Europe, the Middle East and Australia reflect the country's extensive global sourcing network and its position as the world's largest importer of aluminium scrap.

### 3.16 Interlinkages Between the Automotive and Metal Recycling Industries




The automotive and metal recycling industries are closely interconnected through the end-of-life vehicle (ELV) ecosystem, creating a circular value chain that supports resource efficiency and sustainable manufacturing. Growth in vehicle production and vehicle ownership expands the stock of vehicles in operation, which subsequently generates a larger pool of end-of-life vehicles available for dismantling and recycling.

Upon reaching the end of their operational life, vehicles are processed through organised collection, dismantling and scrapping facilities, where reusable components and recyclable materials are recovered. These vehicles serve as an important source of ferrous and non-ferrous metals, including steel, aluminium and copper, which are subsequently processed by metal recyclers and converted into secondary raw materials.

The recovered metals are reintroduced into manufacturing value chains and are increasingly used across automotive, engineering, construction and electrical industries owing to their cost efficiency, lower energy consumption and reduced environmental footprint compared to primary metals. As a result, growth in the automotive industry not only drives demand for recycled metal products but also contributes to the long-term availability of recyclable feedstock for the metal recycling sector.

Government initiatives such as the Vehicle Scrappage Policy, End-of-Life Vehicles Rules, 2025 and broader circular economy initiatives are further strengthening the linkage between these industries by encouraging formalised vehicle recycling, higher material recovery rates and increased utilisation of recycled materials in manufacturing.

Accordingly, the automotive and metal recycling industries are mutually reinforcing, with the growth of one industry creating opportunities for the other, thereby supporting the development of a sustainable and circular industrial ecosystem.

## 4. MARKET DYNAMICS

### 4.1 Growth Drivers

The metal recycling and automotive industries continue to expand in response to evolving industrial consumption patterns, regulatory developments and broader economic growth. The key growth aspects are as follows:

**Market Drivers and Impact Assessment**

(All values represent directional impact based on industry estimates and qualitative analysis)

| Growth Driver | (1–2 yrs) | (3–4 yrs) | (5–7 yrs) |
|---|---|---|---|
| **Automotive Industry** | | | |
| **1. Rising domestic vehicle demand driven by income growth, urbanisation and financing availability** | **High** | **High** | **High** |
| **2. Growing preference for personal mobility across urban and semi-urban geographies** | **High** | **High** | **High** |
| **3. Expanding commercial vehicle demand driven by freight activity and infrastructure growth** | **Moderate** | **High** | **High** |
| **Metal Recycling Industry** | | | |
| **1. Rising demand for cost-efficient secondary metal inputs across manufacturing industries** | **High** | **High** | **High** |
| **2. Growing scrap generation from expanding industrial and automotive production base** | **Moderate** | **High** | **High** |

| | | | |
|---|---|---|---|
| **3. Increasing preference for recycled materials driven by cost and sustainability considerations** | **Moderate** | **High** | **High** |

***Source:*** Infomerics Analytics & Research

**Detailed Driver Commentary**

***Automotive Industry***

**1. Rising Domestic Vehicle Demand Driven by Income Growth, Urbanisation and Financing Availability**

Rising household incomes, expanding middle class, increasing urbanisation and growing aspirations for personal mobility continue to drive sustained demand for vehicles across all segments in India. Increasing availability of vehicle financing options and improving road connectivity are further broadening the addressable market for vehicle ownership, supporting consistent volume growth across passenger vehicles, two-wheelers and commercial vehicles over the medium to long term.

**2. Growing Preference for Personal Mobility across Urban and Semi-Urban Geographies**

Changing lifestyle preferences, increasing nuclear family structures and growing need for independent commuting solutions are driving sustained demand for personal vehicles across urban and semi-urban markets. The preference for personal mobility over shared transport options continues to strengthen across a widening consumer base, supporting broad-based demand growth across vehicle segments and associated manufacturing and supply chain activity.

**3. Expanding Commercial Vehicle Demand Driven by Freight Activity and Infrastructure Growth**

Growth in organised logistics, expansion of e-commerce and increasing freight movement requirements across the economy are driving sustained demand for commercial vehicles across light, medium and heavy segments. Rising construction and infrastructure activity is further supporting demand for specialised commercial vehicles, contributing to consistent volume growth and fleet expansion across the commercial vehicle segment.

***Metal Recycling Industry***

**1. Rising Demand for Cost-Efficient Secondary Metal Inputs across Manufacturing Industries**

Growing cost consciousness among industrial manufacturers and increasing focus on input cost optimisation are driving preference for secondary metal inputs over higher-cost primary alternatives across automotive, engineering, electrical and consumer durables manufacturing sectors. The cost efficiency of recycled metal inputs relative to primary alternatives is a key structural demand driver for the secondary aluminium and broader metal recycling industry over the medium to long term.

**2. Growing Scrap Generation from Expanding Industrial and Automotive Production Base**

India's expanding industrial and automotive manufacturing base is progressively increasing the volume of process scrap, manufacturing waste and end-of-life material available for recycling and reprocessing. As domestic production activity scales across key industries, the availability of recyclable metal inputs is expected to strengthen correspondingly, supporting raw material supply for secondary metal processors and enabling expansion of organised recycling capacity over the long term.

**3. Increasing Preference for Recycled Materials Driven by Cost and Sustainability Considerations**

Growing awareness of the cost and resource efficiency benefits of recycled materials is driving increasing preference for secondary metal inputs among industrial consumers across manufacturing sectors. As sustainability considerations gain prominence in procurement and supply chain decisions, the demand for recycled aluminium and other secondary metals is expected to expand progressively, supporting long-term growth in organised metal recycling activity across the domestic industrial ecosystem.

## 4.2 Market Restraints

The metal recycling and automotive industries operate within an environment that presents several structural and operational constraints. The key challenges are as follows:

**Market Challenges and Impact Assessment**

(All values represent directional impact based on industry estimates and qualitative analysis)

| Challenge | (1–2 yrs) | (3–4 yrs) | (5–7 yrs) |
|---|---|---|---|
| **Automotive Industry** | | | |

| | | | |
|---|---|---|---|
| **1. Volatility in input material costs and commodity prices** | **High** | **High** | **Moderate** |
| **2. Intensifying competition from domestic and international manufacturers** | **High** | **High** | **High** |
| **3. Cyclical nature of demand linked to macroeconomic conditions** | **High** | **Moderate** | **Moderate** |
| **Metal Recycling Industry** | | | |
| **1. High dependence on imported scrap and associated supply chain risks** | **High** | **High** | **Moderate** |
| **2. Fragmented and largely unorganised scrap supply ecosystem** | **High** | **High** | **Moderate** |
| **3. Volatility in scrap prices and secondary metal realisations** | **High** | **High** | **High** |

**Source**: Infomerics Analytics & Research

**Detailed Overview**

***Automotive Industry***

**1. Volatility in Input Material Costs and Commodity Prices**

The automotive manufacturing industry is significantly dependent on key input materials including steel, aluminium, copper and rubber, the prices of which are subject to considerable volatility driven by global commodity market dynamics and currency fluctuations. Sharp movements in input costs can adversely impact manufacturing economics and compress operating margins across the automotive value chain.

**2. Intensifying Competition from Domestic and International Manufacturers**

The Indian automotive market is characterised by increasing competitive intensity, with a growing number of domestic and international manufacturers vying for market share across vehicle segments. Rising competition may exert pressure on vehicle pricing and compress profitability, particularly for manufacturers operating in volume-driven and price-sensitive segments.

**3. Cyclical Nature of Demand Linked to Macroeconomic Conditions**

Automotive demand is inherently cyclical, closely linked to consumer sentiment, interest rate movements and overall economic growth. Periods of economic slowdown or subdued consumer confidence can lead to deferral of vehicle purchase decisions, resulting in volume pressure across the automotive manufacturing and distribution ecosystem.

***Metal Recycling Industry***

**1. High Dependence on Imported Scrap and Associated Supply Chain Risks**

The secondary aluminium industry in India is heavily dependent on imported scrap, exposing processors to risks including currency fluctuations, global price volatility and logistics disruptions affecting key source countries, all of which can adversely impact raw material availability and operating margins.

**2. Fragmented and Largely Unorganised Scrap Supply Ecosystem**

The domestic scrap collection ecosystem remains highly fragmented, with a large proportion of aggregation and trading activity conducted through informal channels. This fragmentation results in inconsistencies in scrap quality and availability, making it challenging for organised secondary metal manufacturers to secure reliable raw material supply at competitive costs.

**3. Volatility in Scrap Prices and Secondary Metal Realisations**

Scrap prices and secondary metal realisations are subject to significant volatility driven by fluctuations in global primary metal prices and currency movements. Sharp movements in input costs combined with limited ability to immediately pass through price increases can compress operating margins and create working capital pressures during periods of elevated price volatility.

## 5. GOVERNMENT INITIATIVES AND POLICY SUPPORT

The Government of India has undertaken various initiatives to strengthen the metal recycling and automotive sectors, which form the core industrial segments within which the Company operates. These initiatives focus on promoting domestic manufacturing capability, encouraging adoption of advanced technologies, formalising end-of-life material management and supporting the development of a robust and sustainable secondary metal ecosystem across the country.

***Automotive Industry***

**1. Production Linked Incentive Scheme for Automotive and Auto Components**

The Ministry of Heavy Industries notified the Production Linked Incentive scheme for Automobile and Auto Component Industry on 23rd September 2021 with a budgetary outlay of INR 25,938 crore for a period of five years from FY 2022-23 to FY 2026-27. The scheme provides financial incentives to boost domestic manufacturing of Advanced Automotive Technology products including battery electric vehicles, hydrogen fuel cell vehicles and advanced auto components, aimed at overcoming cost disabilities, attracting fresh investments and building a robust domestic and global supply chain for the automotive sector.

**2. FAME India Scheme**

The Government of India introduced the Faster Adoption and Manufacturing of Electric Vehicles scheme to accelerate the adoption of electric and hybrid vehicles across the country. The scheme provides demand-side incentives for electric two-wheelers, three-wheelers, four-wheelers and buses, while supporting development of public charging infrastructure across cities. The scheme has played a significant role in driving electric vehicle adoption across consumer and fleet segments, supporting the long-term transition of the Indian automotive industry toward cleaner and more energy-efficient mobility solutions.

**3. National Vehicle Scrappage Policy**

The Government of India notified the National Vehicle Scrappage Policy to formalise the retirement and recycling of end-of-life vehicles. The policy mandates fitness testing beyond specified age thresholds, directing vehicles failing tests to Registered Vehicle Scrapping Facilities for dismantling and material recovery. Incentives including scrappage certificates, registration fee waivers and reduced motor vehicle tax encourage voluntary scrapping, stimulating fresh vehicle demand. The policy directly strengthens ferrous and non-ferrous scrap availability for secondary metal processors, reinforcing the organised recycling ecosystem.

***Metal Recycling Industry***

**4. National Non-Ferrous Metal Scrap Recycling Framework**

The Ministry of Mines notified the National Non-Ferrous Metal Scrap Recycling Framework to provide a structured policy roadmap for improving recycling rates of non-ferrous metals including aluminium, copper, zinc and lead in India. The framework identifies key challenges including heavy import dependence, limited domestic scrap availability and inadequate processing infrastructure, and recommends coordinated policy interventions to formalise the recycling ecosystem, improve material recovery rates and progressively align India's recycling rates with global benchmarks.

**5. Environment Protection End-of-Life Vehicles Rules 2025**

The Ministry of Environment Forest and Climate Change notified the End-of-Life Vehicles Rules in January 2025, introducing binding Extended Producer Responsibility obligations on vehicle manufacturers for annual end-of-life vehicle collection and recycling targets. The rules mandate that EPR compliance is recognised exclusively through registered vehicle scrapping facilities, formalising the flow of automotive scrap into organised recycling channels and directly strengthening the raw material supply ecosystem for secondary metal processors.

**6. Scrap Recycling Policy 2019**

The Ministry of Steel notified the Scrap Recycling Policy in 2019 to promote scientific processing of ferrous scrap and support secondary steel production. The policy encourages channelling of domestically generated steel scrap toward electric arc furnaces and induction furnaces, enabling energy-efficient and lower-emission steelmaking. It reinforces the broader circular economy transition of India's metals sector and strengthens the operating environment for organised scrap processing across the secondary metal recycling industry.

## 6. PESTEL ANALYSIS OF THE AUTOMOTIVE AND METAL RECYCLING INDUSTRY

***Automotive Industry***

| Factor | Key Insights and Implications |
|---|---|
| **Political** | • Government policy support through the Production Linked Incentive scheme for automobile and auto components and the FAME India scheme is driving domestic automotive manufacturing capability and electric vehicle adoption.<br>• The National Vehicle Scrappage Policy is incentivising retirement of end-of-life vehicles, stimulating fresh vehicle demand across passenger and commercial vehicle segments. |
| **Economic** | • Rising household incomes, expanding middle class and growing vehicle ownership |

| | |
|---|---|
| | aspirations are driving sustained demand across all automotive segments.<br>• Currency fluctuations, interest rate movements and commodity price volatility can influence vehicle affordability, fleet expansion decisions and overall automotive demand. |
| **Social** | • Rising urbanisation, increasing nuclear family structures and growing aspirations for personal mobility are supporting sustained vehicle demand across passenger vehicle and two-wheeler segments.<br>• Shifting consumer preferences toward fuel-efficient and electric vehicles are reshaping product development priorities and material requirements across the automotive value chain. |
| **Technological** | • Rapid advancements in electric vehicle technology, battery management systems and connected vehicle platforms are reshaping the competitive landscape and long-term growth trajectory of the automotive sector.<br>• Growing adoption of lightweight materials in vehicle structures and powertrains is influencing component design and upstream material consumption patterns across the value chain. |
| **Environmental** | • Tightening vehicular emission norms including BS-VI standards and fuel efficiency mandates are driving manufacturers toward cleaner powertrains and lightweight material adoption in vehicle design.<br>• Increasing focus on sustainable manufacturing and carbon footprint reduction is reshaping procurement and production practices across the automotive value chain. |
| **Legal** | • The automotive industry is governed by the Motor Vehicles Act, Central Motor Vehicles Rules and vehicular safety and emission standards mandating compliance across vehicle design, manufacturing and distribution.<br>• Changes in taxation policies, import duties on components and trade regulations can influence manufacturing economics and competitive dynamics across the sector. |

***Metal Recycling Industry***

| Factor | Key Insights and Implications |
|---|---|
| **Political** | • The National Non-Ferrous Metal Scrap Recycling Framework and End-of-Life Vehicles Rules 2025 are formalising scrap collection and recycling operations, creating a structured regulatory environment for secondary metal processors.<br>• Extended Producer Responsibility obligations on vehicle manufacturers for end-of-life vehicle collection are strengthening the formal scrap supply ecosystem for organised recycling operations. |
| **Economic** | • Growing automotive production and industrial manufacturing activity is generating increasing volumes of recyclable scrap, supporting raw material availability for secondary metal processors.<br>• Secondary metal processors are exposed to fluctuations in global scrap prices and aluminium benchmarks, which significantly influence raw material procurement costs and operating margins. |
| **Social** | • Growing awareness of environmental sustainability and resource efficiency is encouraging preference for recycled metal inputs among industrial consumers and driving acceptance of organised recycling practices.<br>• Increasing commercialisation of automotive component manufacturing is supporting adoption of quality-certified secondary aluminium alloys as preferred inputs for die-casting operations. |
| **Technological** | • Increasing adoption of advanced furnace technologies, automated sorting systems and in-process spectrometric testing is improving metal recovery rates, product quality and operational efficiency in secondary aluminium manufacturing.<br>• Advancements in scrap processing technologies are enabling secondary aluminium producers to handle a wider variety of scrap grades and produce higher quality alloy outputs conforming to stringent customer specifications. |
| **Environmental** | • Growing emphasis on reducing carbon emissions and energy consumption is driving preference for secondary aluminium, which consumes significantly less energy and generates substantially lower emissions compared to primary aluminium production. |

| | |
|---|---|
| | • Increasing focus on circular economy principles is encouraging formalisation of scrap collection, processing and recycling infrastructure across the secondary metal sector. |
| **Legal** | • The metal recycling industry is subject to regulations under the Environment Protection Act, Hazardous Waste Management Rules and End-of-Life Vehicles Rules 2025 governing collection, processing and disposal of non-ferrous scrap.<br>• Changes in import duties on aluminium scrap and trade policies governing non-ferrous metal imports can materially impact raw material costs and sourcing strategies for secondary aluminium manufacturers. |

## 7. TECHNOLOGY AND THE DIGITAL TRANSFORMATION

The metal recycling and automotive industries are witnessing increasing adoption of advanced technologies and digital solutions. Participants across both sectors are investing in modern production infrastructure, automation systems and data-driven technologies to improve operational performance, enhance product quality and meet the evolving requirements of end-use industries.

**1. Advanced Furnace and Melting Technologies**

Secondary aluminium manufacturers are adopting energy-efficient melting furnaces and controlled temperature systems to improve metal recovery rates, reduce process losses and maintain consistent alloy composition in finished ingots.

**2. Automated Sorting and Segregation Systems**

Deployment of magnetic separators, eddy current separators and shredding machines is improving scrap segregation accuracy, reducing contamination levels and enhancing overall metal recovery yields across secondary aluminium processing operations.

**3. In-Process Quality Testing**

Investment in in-house laboratory equipment including spectrometers, density meters and hardness testers is enabling real-time chemical composition analysis and mechanical property verification across raw material inspection and finished product testing stages.

**4. Electric Vehicle and Lightweighting Technologies**

Rapid advancements in battery electric vehicle platforms and growing adoption of lightweight materials including secondary aluminium alloys in vehicle structures and powertrains are reshaping material consumption patterns across the automotive value chain.

**5. Connected Vehicle Technologies**

Automotive manufacturers are integrating connected vehicle platforms, telematics systems and advanced driver assistance systems into vehicle architectures, driven by evolving consumer expectations and regulatory safety mandates.

**6. Digital Inventory and Supply Chain Management**

ERP systems and digital procurement platforms are being adopted across both sectors to manage inventory, monitor raw material procurement and improve supply chain visibility and working capital optimization.

**7. Data Analytics and Production Monitoring**

Data analytics tools and production monitoring systems are enabling manufacturers to improve operational efficiency, reduce downtime and support informed decision-making across manufacturing operations.

## 8. COMPETITIVE LANDSCAPE

The metal recycling and automotive industry in India operates in a competitive market structure comprising a mix of large integrated manufacturers, regional organised processors and a significant unorganised sector engaged in scrap trading and secondary metal processing.

### 8.1 Key factor Shaping Competition

Competition in the metal recycling and automotive industry in India is influenced by multiple factors. Key factors shaping competition in the industry include:

1. **Product Quality and Alloy Consistency**

   The quality and chemical consistency of secondary aluminium ingots plays a critical role in determining customer acceptance, particularly among automotive component manufacturers and die-casting units operating under stringent original equipment manufacturer specifications. Manufacturers that consistently deliver ingots conforming to specified alloy grades such as ADC 12, ALSI12 Fe and A380 with minimal variation are better positioned to retain customers and command stable realisations.

2. **Raw Material Sourcing and Scrap Procurement Capabilities**

   Access to a reliable, diversified and cost-efficient supply of aluminium scrap is a key competitive differentiator in the secondary aluminium industry. Manufacturers with established sourcing networks across domestic suppliers and international markets, along with strong supplier relationships and effective procurement practices, are better positioned to maintain supply continuity and manage input cost volatility.

3. **Scale of Operations and Processing Capacity**

   Larger processing capacities enable secondary aluminium manufacturers to achieve economies of scale in procurement, energy consumption and overhead costs, translating into cost advantages relative to smaller players. Scale also supports greater flexibility in handling diverse scrap grades and fulfilling larger customer orders consistently.

4. **Quality Certifications and Regulatory Compliance**

   Compliance with quality management standards including ISO 9001 and environmental management standards including ISO 14001, along with robust in-house testing infrastructure, is increasingly important for qualification as an approved supplier to organised automotive and engineering sector customers. Manufacturers with recognised certifications and systematic quality assurance processes are better positioned to access institutional and organised sector demand.

5. **Customer Relationships and Repeat Business**

   The secondary aluminium industry is characterised by close and long-standing relationships between suppliers and their industrial customers. Manufacturers that consistently meet quality specifications, adhere to delivery timelines and demonstrate operational reliability are more likely to generate repeat orders, maintain revenue visibility and expand their customer base across end-use industries.

**8.2 Key Competitive Strategies**

Companies operating in the metal recycling and automotive industry in India adopt various competitive strategies to strengthen market position and sustain long-term growth. Key competitive strategies adopted by industry participants include:

1. **Strengthening Raw Material Sourcing and Supply Chain Resilience**

   Manufacturers are focusing on diversifying their scrap procurement networks across domestic suppliers and international markets to reduce dependence on any single source and manage input cost volatility. Building strong supplier relationships, maintaining approved vendor bases and expanding geographic sourcing coverage are key priorities for secondary aluminium producers seeking to ensure supply continuity and raw material quality consistency.

2. **Enhancing Product Quality and Alloy Development Capabilities**

   Companies are investing in in-house laboratory infrastructure, spectrometric testing equipment and process control systems to improve the consistency and quality of secondary aluminium ingots across alloy grades. The ability to develop customised alloy compositions meeting specific customer requirements is increasingly becoming a key differentiator among organised secondary aluminium manufacturers.

3. **Expanding Customer Base and Deepening Existing Relationships**

   Secondary aluminium manufacturers are focusing on qualifying as approved suppliers to a broader base of automotive component manufacturers, die-casting units and engineering sector customers. Deepening existing customer relationships through consistent quality delivery, adherence to specifications and responsive service is a key strategy for maintaining revenue visibility and driving repeat business.

4. **Achieving Cost Leadership through Operational Efficiency**

Given the price-sensitive and margin-competitive nature of the secondary aluminium industry, manufacturers are focused on improving metal recovery rates, reducing process losses, optimising furnace utilisation and managing procurement costs to maintain cost competitiveness. Scale benefits and efficient raw material planning are key levers for sustaining profitability across market cycles.

5. **Expanding Production Capacity to Meet Growing Demand**

   Industry participants are evaluating capacity expansion through addition of furnaces, casting lines and ancillary processing infrastructure to cater to growing demand from automotive and engineering sector customers. Capacity expansion supports volume growth, improves fixed cost absorption and enables manufacturers to service larger customer orders and enter new geographic markets.

6. **Focusing on Regulatory Compliance and Quality Certifications**

   Maintaining compliance with quality management and environmental management standards including ISO certifications and meeting stringent customer audit and supplier qualification requirements is a key competitive strategy for organised secondary aluminium manufacturers. Recognised certifications and robust compliance frameworks enhance market credibility and support access to organised institutional demand.

### 8.3 Barriers to Entry

The metal recycling and automotive industry in India is characterised by several entry barriers arising from multiple factors which are discussed as follows:

1. **Raw Material Procurement and Supply Chain Management**
   Procurement of aluminium scrap from domestic and international sources constitutes a critical aspect of secondary aluminium manufacturing. Established manufacturers benefit from long-standing supplier relationships, diversified sourcing networks and procurement scale advantages. New entrants may face challenges in securing reliable scrap supply at competitive prices, particularly during periods of global scrap price volatility and supply chain disruptions.

2. **Capital Investment Requirements**
   Establishing a secondary aluminium manufacturing facility requires substantial capital expenditure on land, melting furnaces, casting infrastructure, laboratory equipment, material handling systems and utilities. Investment in quality control infrastructure including spectrometers, testing equipment and process monitoring systems further adds to initial capital requirements, acting as a barrier for new participants.

3. **Economies of Scale**
   Established secondary aluminium manufacturers benefit from economies of scale in scrap procurement, furnace utilisation, energy consumption and overhead costs. Higher production volumes enable existing players to negotiate better raw material prices and offer competitive pricing to customers. New entrants may face cost disadvantages until sufficient scale is achieved.

4. **Working Capital Requirements**
   The secondary aluminium industry is inherently working capital intensive, requiring significant investment in scrap inventory, work-in-progress and finished goods, along with upfront cash payments for imported scrap procurement. Managing price volatility and maintaining adequate liquidity across procurement and production cycles may pose challenges for smaller or newly established participants.

5. **Brand Recognition and Market Reputation**

   Automotive component manufacturers and die-casting units typically follow rigorous vendor evaluation and audit processes before approving secondary aluminium suppliers. Meeting stringent quality specifications, obtaining relevant certifications and successfully completing customer audits requires time and investment, creating a meaningful barrier to entry for new participants seeking access to organised sector customers.

### 8.4 About the Company - Auto Recycling Systems Limited

Auto Recycling Systems Limited is an established secondary aluminium manufacturer engaged in the manufacturing of aluminium ingots using recycled aluminium scrap as the primary raw material, catering to the requirements of automotive, electrical, engineering, construction and consumer durables sectors in India. The Company was incorporated in December 2020 and has since developed operational expertise across scrap procurement, melting, alloying, refining and casting operations, enabling it to establish a credible presence in the Indian secondary aluminium industry.

The Company manufactures aluminium ingots in various grades including ADC 12, ALSI12 Fe, JED029 M3, A380 and ALDC-3, serving a broad customer base comprising automotive component manufacturers, die-casting units and industrial

consumers. Its manufacturing facility located at Palwal, Haryana is equipped with melting furnaces with controlled temperature systems, alloying and refining capabilities, in-house laboratory for chemical and physical testing, moulding and casting infrastructure and storage and handling facilities for raw material and finished goods. The Company holds ISO 9001:2015 certification for quality management systems and ISO 14001:2015 certification for environmental management systems, reflecting its commitment to product quality and environmental compliance.

In addition to its core manufacturing operations, the Company is engaged in the trading of aluminium scrap, copper scrap and other non-ferrous scrap materials, procured from domestic and international markets and supplied to manufacturers and recyclers. This trading segment complements its manufacturing operations by enabling optimisation of procurement volumes, strengthening supplier relationships and generating additional revenue streams. The Company derives demand from the growing automotive and industrial manufacturing sectors in India, supported by increasing adoption of secondary aluminium as a cost-efficient and sustainable alternative to primary aluminium across downstream manufacturing value chains.

The Company procures its raw materials primarily from domestic suppliers including scrap traders and industrial units, having significantly reduced its dependence on imported scrap in recent periods in response to global trade uncertainties and currency volatility. Its established domestic sourcing network, supported by a structured supplier evaluation and performance monitoring framework, enables it to maintain supply continuity, manage input cost volatility and support stable manufacturing operations across its product portfolio.

### 8.5 Key Industry Players

**Nupur Recyclers Limited**

Nupur Recyclers Limited is engaged in the import, processing and trading of non-ferrous metal scrap including aluminium zorba, shredded zinc scrap, zinc die-cast scrap and zurik scrap, with operations primarily based in Delhi NCR. The Company is focused on establishing itself as an organised participant in the non-ferrous metal scrap recycling segment, sourcing materials from long-term international suppliers across markets including UAE, Central Europe and USA. Its operations span scrap import, processing and trading, catering to manufacturers and recyclers across the domestic secondary metal industry.

**Arfin India Limited**

Arfin India Limited is an established manufacturer of aluminium and ferro alloy products including aluminium alloy ingots, aluminium deox, aluminium wire rods, conductors and cables, cored wire and ferro alloys, serving a diversified industrial customer base across steel, aluminium and automotive sectors. The Company operates manufacturing facilities in Gujarat and has developed a broad product portfolio catering to domestic and international customers including leading steel producers and global trading companies.

**Baheti Recycling Industries Limited**

Baheti Recycling Industries Limited (BRIL) was incorporated in 1994 to expand and consolidate the group's business activities, building on a family scrap-trading lineage dating back to 1956. The Company operates a production facility at Dehgam district of Gujarat, engaged in recycling aluminium and producing ferro alloys, and manufactures a range of aluminium alloy ingots, aluminium deox, notch bars, cubes and shots catering to the steel, automobile, auto ancillary, electrical and casting industries. Baheti has established long-term relationships with clients in the Indian steel industry as well as customers in South Korea, the Middle East and other international markets, positioning itself as an established player in the organised aluminium recycling and ferro alloys segment in Western India.

**CMR Green Technologies Limited**

CMR Green Technologies Limited is one of India's largest scrap metal recycling companies with over seventeen years of operational experience and a processing capacity exceeding one million tonnes of scrap metal per year. The Company is engaged in the recycling and manufacturing of aluminium alloy ingots, aluminium billets, aluminium alloy liquid, zinc alloy and stainless steel, along with the trading of copper, zinc, brass, magnesium and lead scrap. CMR Green Technologies caters to a large and diversified industrial customer base and operates with an extensive infrastructure network, positioning itself as a significant player in the organised metal recycling sector in India.

### 8.6 Financial Performance Analysis

The financial performance analysis of Auto Recycling System Limited provides an overview of the Company's operational and financial performance during FY2024, FY2025 and FY2026. The analysis focuses on key financial parameters, including total income, EBITDA, profitability margins, and other relevant indicators, to evaluate the Company's operating efficiency, earnings profile, and overall financial stability in the auto recycling sector.

**Figures are in INR lakhs (Except for ratios and Percentages)**

| Key Indicators | Auto Recycling Systems Limited | | |
|---|---|---|---|
| (in INR Lakhs) | FY 2026 | FY 2025 | FY 2024 |
| Total Operating Income | 25667.19 | 14421.53 | 5268.67 |
| Total Income | 25755.13 | 14500.13 | 5370.05 |
| EBITDA | 1624.21 | 884.47 | 157.60 |
| EBITDA Margin (%) | 6.33 | 6.13 | 2.99 |
| PAT | 1128.58 | 601.23 | 70.57 |
| PAT Margin (%) | 4.38 | 4.15 | 1.31 |
| Current Ratio (Times) | 1.41 | 1.29 | 1.02 |
| Tangible Net worth | 2607.90 | 1492.79 | 891.55 |
| Total Debt | 4241.98 | 2433.87 | 2507.95 |
| Debt Equity Ratio (Times) | 1.63 | 1.63 | 2.81 |
| ROCE (%) | 29.15 | 21.74 | 4.77 |
| Return on Net worth (%) | 55.04 | 50.43 | 15.83 |

**Source:** Audited Financials as provided by the company

Formula Used:

- EBITDA: Total Operating Income - Operating Expenses (excluding Depreciation & Amortisation, Interest and Taxes)
- EBITDA Margin: (EBITDA/Total Operating Income) *100
- PAT Margin: (Profit after Tax/Total Income) *100
- Current Ratio: Current Assets /Current Liabilities\
- Tangible Net Worth: Share Capital + Reserve & Surplus – Intangible Assets -Deferred Tax Assets – Misc. Expenditure not written off – Revaluation Reserves
- Return on Net Worth (RONW): (Profit After Tax /Average Tangible Net Worth) *100
- Total Capital Employed: Fixed Assets + Intangible Assets +Net Working Capital
- Return on Capital Employed (ROCE): (Earnings before Interest & Taxes/Average Capital Employed) *100

The financial performance of Auto Recycling Systems Limited during FY2024 to FY2026 reflects strong business expansion accompanied by improved profitability and strengthening return indicators. The Company has demonstrated robust revenue growth and enhanced operational efficiency, supported by increasing scale of operations in the automobile recycling industry.

Total Operating Income increased significantly to INR 25,667.19 lakh in FY2026 from INR 14,421.53 lakh in FY2025 and INR 5,268.67 lakh in FY2024. Similarly, Total Income rose to INR 25,755.13 lakh in FY2026 as compared to INR 14,500.13 lakh in FY2025 and INR 5,370.05 lakh in FY2024, indicating substantial growth in business activities over the review period.

EBITDA improved to INR 1,624.21 lakh in FY2026 from INR 884.47 lakh in FY2025 and INR 157.60 lakh in FY2024. The EBITDA margin increased to 6.33% in FY2026 from 6.13% in FY2025 and 2.99% in FY2024, reflecting improved operational efficiency and better absorption of fixed costs. Profit After Tax (PAT) also witnessed significant growth to INR 1,128.58 lakh in FY2026 from INR 601.23 lakh in FY2025 and INR 70.57 lakh in FY2024, with PAT margin improving to 4.38% from 4.15% in FY2025 and 1.31% in FY2024.

The Company's liquidity position strengthened, with the current ratio improving to 1.41 times in FY2026 from 1.29 times in FY2025 and 1.02 times in FY2024. Tangible Net Worth increased substantially to INR 2,607.90 lakh in FY2026 from INR 1,492.79 lakh in FY2025 and INR 891.55 lakh in FY2024, reflecting profit accretion and a stronger capital base.

Total Debt stood at INR 4,241.98 lakh in FY2026 as compared to INR 2,433.87 lakh in FY2025 and INR 2,507.95 lakh in FY2024. Despite the increase in borrowings to support business growth, the debt-equity ratio remained stable at 1.63 times in FY2026, in line with FY2025, and improved from 2.81 times in FY2024 due to strengthening net worth. Further, Return on Capital Employed (ROCE) improved to 29.15% in FY2026 from 21.74% in FY2025 and 4.77% in FY2024, while Return on Net Worth (RONW) increased to 55.04% from 50.43% in FY2025 and 15.83% in FY2024, indicating enhanced efficiency in the utilisation of capital and shareholders' funds.

Overall, Auto Recycling Systems Limited has demonstrated strong operational growth, improved profitability and strengthening financial metrics during the review period. The substantial increase in income and profitability, together with improvement in liquidity, leverage and return ratios, reflects an enhanced financial profile and provides a stronger base for the Company to capitalize on opportunities in India's evolving automobile recycling industry.

**8.7 Peer Benchmarking – Financial performance analysis**

A comparative assessment of key financial indicators of Auto Recycling Systems Limited vis-à-vis selected industry peers, namely Nupur Recyclers Limited, Arfin India Limited, Baheti Recycling Industries Limited and CMR Green Technologies Limited, is presented below. The financial information considered for the comparative assessment pertains to FY2025–26. The peer set has been identified considering the companies' business profiles, product offerings, industry presence and operational scale within the organised metal recycling and secondary aluminium manufacturing segment.

**Figures are in INR lakhs (Except for Margins and Percentages)**

| Key Indicators | Auto Recycling Systems Limited | Nupur Recyclers Limited | Arfin India Limited | Baheti Recycling Industries Limited | CMR Green Technologies Limited |
|---|---|---|---|---|---|
| Total Operating Income | 25667.19 | 21593.97 | 61799.18 | 72485.97 | 864019.00 |
| Total Income | 25755.13 | 22661.35 | 61891.37 | 72541.64 | 865924.00 |
| EBITDA | 1624.21 | 1707.73 | 4616.13 | 6097.15 | 45347.00 |
| EBITDA Margin (%) | 6.33 | 7.91 | 7.47 | 8.41 | 5.25 |
| PAT | 1128.58 | 1648.46 | 1545.13 | 2706.21 | 22838.00 |
| PAT Margin (%) | 4.38 | 7.27 | 2.50 | 3.73 | 2.64 |
| Current Ratio (Times) | 1.41 | 5.28 | 1.69 | 1.28 | 1.45 |
| Tangible Net worth | 2607.90 | 12246.70 | 17034.68 | 9366.75 | 141752.00 |
| Total Debt | 4241.98 | 4074.68 | 12926.68 | 22926.48 | 162898.00 |
| Debt Equity Ratio (Times) | 1.63 | 0.33 | 0.76 | 2.45 | 1.15 |
| ROCE (%) | 29.15 | 8.22 | 14.11 | 22.00 | 12.82 |
| Return on Net worth (%) | 55.04 | 13.93 | 9.45 | 35.42 | 16.40 |

***Source***: Audited Financials as provided by the Company for FY2025–26 and publicly available financial data.

Auto Recycling Systems Limited demonstrates a growing presence within India's metal recycling and secondary aluminium industry, supported by strong revenue growth, improving profitability and robust return indicators. While the Company operates at a smaller scale compared to certain established industry participants, it has exhibited significant improvement in operational performance and earnings generation.

In terms of scale, Auto Recycling Systems Limited Reported Total Operating Income of INR 25,667.19 lakh and Total Income of INR 25,755.13 lakh. Nupur Recyclers Limited Reported Total Operating Income of INR 21,593.97 lakh, while Arfin India Limited, Baheti Recycling Industries Limited and CMR Green Technologies Limited reported INR 61,799.18 lakh, INR 72,485.97 lakh and INR 8,64,019.00 lakh, respectively. Auto Recycling Systems Limited therefore operates at a scale broadly comparable with Nupur Recyclers, while remaining smaller than Arfin India, Baheti Recycling and CMR Green Technologies. Nevertheless, the Company's operating scale reflects an established presence within the organised secondary metal recycling segment.

At the operating level, Auto Recycling Systems Limited reported EBITDA of INR 1,624.21 lakh with an EBITDA margin of 6.33%. This compares with EBITDA margins of 7.91% for Nupur Recyclers, 7.47% for Arfin India, 8.41% for Baheti Recycling and 5.25% for CMR Green Technologies. The Company's operating margin is therefore higher than CMR Green Technologies, although below the other three peers, indicating a relatively healthy operating performance while continuing to scale its business.

At the net level, Auto Recycling Systems Limited reported PAT of INR 1,128.58 lakh and a PAT margin of 4.38%. This is higher than the PAT margins reported by Arfin India (2.50%), Baheti Recycling (3.73%) and CMR Green Technologies (2.64%), while remaining below Nupur Recyclers (7.27%). The Company's profitability at the net level therefore remains competitive within the peer set, supported by its improving earnings generation.

From a liquidity perspective, Auto Recycling Systems Limited reported a current ratio of 1.41 times, compared with 5.28 times for Nupur Recyclers, 1.69 times for Arfin India, 1.28 times for Baheti Recycling and 1.45 times for CMR Green Technologies. The Company's liquidity position is broadly comparable with Baheti Recycling and CMR Green Technologies and indicates adequate short-term financial coverage, although it remains below Nupur Recyclers and Arfin India.

In terms of capital structure, Auto Recycling Systems Limited Reported Total Debt of INR 4,241.98 lakh and a debt-equity ratio of 1.63 times. This is higher than Nupur Recyclers (0.33 times), Arfin India (0.76 times) and CMR Green Technologies (1.15 times), but lower than Baheti Recycling (2.45 times). The Company's relatively higher leverage indicates greater reliance on debt funding compared with several peers; however, this is partly supported by its strong profitability and return profile.

Importantly, Auto Recycling Systems Limited recorded ROCE of 29.15% and Return on Net Worth of 55.04%, both the highest among the peer group. These compare with ROCE of 8.22%, 14.11%, 22.00% and 12.82% and Return on Net Worth of 13.93%, 9.45%, 35.42% and 16.40% for Nupur Recyclers, Arfin India, Baheti Recycling and CMR Green Technologies, respectively. The Company's superior return indicators highlight efficient utilisation of capital and shareholders' funds. Overall, the FY2025–26 financial profile reflects healthy profitability, strong capital efficiency and improving earnings generation, positioning Auto Recycling Systems Limited favourably despite its relatively smaller operating scale.

### 8.8 Company Positioning - Auto Recycling Systems Limited

Auto Recycling Systems Limited is positioned as a quality-focused and cost-efficient secondary aluminium manufacturer operating within the organised segment of India's aluminium recycling industry. The Company differentiates itself from the largely unorganised secondary aluminium sector through its standardised manufacturing processes, multi-stage quality control framework, recognised quality and environmental certifications and ability to consistently meet stringent customer specifications across automotive-grade alloy compositions including ADC 12, ALSI12 Fe and A380.

The Company's manufacturing facility at Palwal, Haryana is strategically located in proximity to industrial clusters in the National Capital Region, providing logistical advantages in serving automotive component manufacturers, die-casting units and engineering sector customers across northern India. Its in-house laboratory infrastructure including spectrometers, density meters, universal testing machines and hardness testers supports real-time quality verification across all stages of the manufacturing process, enabling the Company to maintain product consistency and meet the technical requirements of organised sector customers.

The Company's dual business model encompassing both manufacturing of aluminium ingots and trading of aluminium and non-ferrous scrap positions it to leverage procurement scale, optimise sourcing costs and generate revenue streams across both segments of the secondary aluminium value chain. Its increasing focus on domestic scrap procurement, supported by a structured supplier evaluation framework, strengthens its supply chain resilience.

The Company is well positioned to benefit from the structural growth drivers shaping the Indian secondary aluminium industry, including expanding automotive production, rising demand for recycled aluminium inputs across die-casting and component manufacturing operations, progressive formalisation of the scrap recycling ecosystem and supportive government policy frameworks promoting circular economy practices and secondary metal manufacturing in India.

### 8.9 SWOT Analysis

***Automotive Industry***

| | **Weaknesses (Internal / Limitations)** |
|---|---|

| | |
|---|---|
| ✔ **Large and diversified domestic automotive market supporting sustained demand across passenger vehicles, commercial vehicles and two-wheelers**<br><br>✔ **Well-established automotive manufacturing and component ecosystem supporting a broad supplier base**<br><br>✔ **Growing adoption of lightweight materials such as aluminium to improve vehicle efficiency and performance**<br><br>✔ **Strong presence of organised OEMs and Tier-1 suppliers creating demand for specification-compliant and quality-certified materials and components** | ❌ Cyclical demand and sensitivity to interest rates, consumer income and broader economic conditions<br><br>❌ High dependence on metal-intensive inputs, exposing manufacturers to steel, aluminium and other raw-material price movements<br><br>❌ Increasing technological complexity and investment requirements associated with EVs, advanced components and changing vehicle architectures<br><br>❌ Supply-chain dependence on specialised components and raw materials, creating exposure to disruptions and lead-time constraints |
| **Opportunities**<br>**(External / Market Realities)** | **Threats**<br>**(External / Sector Challenges)** |
| 🌱 **Increasing aluminium intensity in vehicles driven by lightweighting and fuel-efficiency requirements**<br><br>🌱 **Vehicle scrappage and fleet modernisation can increase availability of end-of-life vehicles and recyclable automotive materials**<br><br>🌱 **Expansion of EV manufacturing creating additional demand for aluminium-intensive components and materials**<br><br>🌱 **Growing focus on circularity and recycled materials among automotive manufacturers can support greater use of secondary aluminium** | ⚠ Rapid technological transition towards EVs may alter demand patterns across conventional automotive components<br><br>⚠ Intensifying competition among OEMs and component manufacturers may increase pricing pressure across the value chain<br><br>⚠ Tightening emission, safety and recycling regulations may increase compliance and technology costs<br><br>⚠ Global supply-chain disruptions and commodity-price volatility can affect production costs, component availability and margins |

## Metal Recycling Industry

| | **Weaknesses**<br>**(Internal / Limitations)** |
|---|---|
| ✔ **Lower energy intensity and environmental footprint compared with primary aluminium production, supporting adoption of secondary aluminium**<br><br>✔ **Established demand from automotive, electrical, engineering, construction and consumer durables, providing diversified end-use applications**<br><br>✔ **Ability to process diverse aluminium scrap grades into standard and customised alloy compositions, supporting varied customer requirements**<br><br>✔ **Process control, segregation and quality testing are increasingly important competitive differentiators for supplying specification-sensitive B2B customers** | ❌ Fragmented industry structure with significant participation from unorganised players competing primarily on price<br><br>❌ Dependence on scrap quality and availability, with variations in composition and contamination affecting recovery rates and product quality<br><br>❌ Working capital-intensive operations due to significant upfront procurement and inventory requirements for aluminium scrap<br><br>❌ Margin sensitivity to aluminium and scrap price movements, particularly where changes in raw-material prices cannot be fully passed through |

| Opportunities<br>(External / Market Realities) | Threats<br>(External / Sector Challenges) |
|---|---|
| **Increasing formalisation of scrap collection and recycling creating opportunities for organised secondary aluminium producers**<br><br>**Growing lightweighting in automotive applications supporting demand for secondary aluminium alloys and aluminium-based components**<br><br>**Rising demand for recycled aluminium across automotive, electrical, engineering and consumer applications as manufacturers focus on cost and sustainability**<br><br>**Expansion of organised scrap-processing infrastructure and vehicle recycling expected to improve availability of recyclable aluminium scrap** | Volatility in aluminium and scrap prices can adversely affect procurement costs and operating margins<br><br>Competition from unorganised recyclers with lower overheads and comparatively limited compliance costs<br><br>Competition from primary aluminium producers in standard aluminium products and applications<br><br>Changes in import duties, trade policies and scrap regulations may affect raw-material availability and procurement economics |

## 9. FUTURE OUTLOOK

The metal recycling and automotive industries in India are expected to witness sustained growth over the medium to long term, supported by expanding domestic manufacturing activity, rising vehicle demand, increasing adoption of recycled material inputs and a progressive regulatory environment promoting circular economy practices and sustainable industrial production. The interconnected nature of these two industries, wherein automotive sector growth drives upstream demand for secondary metal inputs while end-of-life vehicles continuously replenish the scrap supply chain, positions both sectors for complementary and mutually reinforcing long-term expansion.

Demand for secondary aluminium ingots and alloys is expected to remain strong, driven by increasing consumption of aluminium-intensive components across automotive die-casting, electrical, engineering and consumer durables manufacturing sectors. The automotive segment is anticipated to remain the largest consumer of secondary aluminium in India, supported by rising vehicle production volumes, increasing aluminium intensity per vehicle driven by lightweighting requirements and growing preference for cost-efficient recycled metal inputs over primary alternatives. Consequently, demand for secondary aluminium ingots, which constitute a critical raw material input for die-casting and component manufacturing operations, is expected to witness sustained growth over the forecast period.

The metal recycling industry is also expected to benefit from increasing formalisation of scrap collection and processing infrastructure, progressive expansion of domestic scrap availability from a growing industrial and automotive base and strengthening regulatory frameworks including the End-of-Life Vehicles Rules 2025 and Extended Producer Responsibility obligations on vehicle manufacturers. Secondary aluminium producers are increasingly focusing on quality enhancement, alloy development capabilities and operational efficiency improvements to cater to evolving customer requirements and strengthen their competitive positioning within the organised segment of the industry.

Overall, the metal recycling and automotive industries are expected to remain key growth segments within India's broader industrial and manufacturing ecosystem, with long-term expansion supported by rising vehicle demand, growing adoption of secondary aluminium across manufacturing value chains, increasing scrap generation from an expanding industrial base and supportive government policy frameworks aimed at strengthening India's circular economy transition and sustainable industrial production objectives.

## BUSINESS OVERVIEW

***The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Red Herring Prospectus, including the information contained in the chapter titled "Risk factors" beginning on page no. 16 of the Draft Red Herring Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms "We", "Us" "Auto Recycling Systems Limited" and "Our" refers to Our Company. Unless stated otherwise, the financial data in this section as per our Restated Financial Statements prepared in accordance with Accounting Standard set forth in the Draft Red Herring Prospectus.***

### OVERVIEW

Our Company was incorporated as "Auto Recycling Systems Private Limited" as a private limited company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated December 24, 2020, issued by Assistant Registrar of Companies. Further, our Company was converted from a private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of our Company dated May 12, 2026 and consequently, the name of our Company was changed from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited" and a fresh certificate of incorporation dated June 16, 2026 was issued to our Company by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U27200DL2020PLC374942.

Our Company was incorporated by Mr. Sanjeev Malhotra, Mr. Sarthak Malhotra and Mrs. Ranjana Malhotra, being subscriber to Memorandum of Association. Currently, Mr. Sanjeev Malhotra and Mr. Sarthak Malhotra are the promoters of our Company.

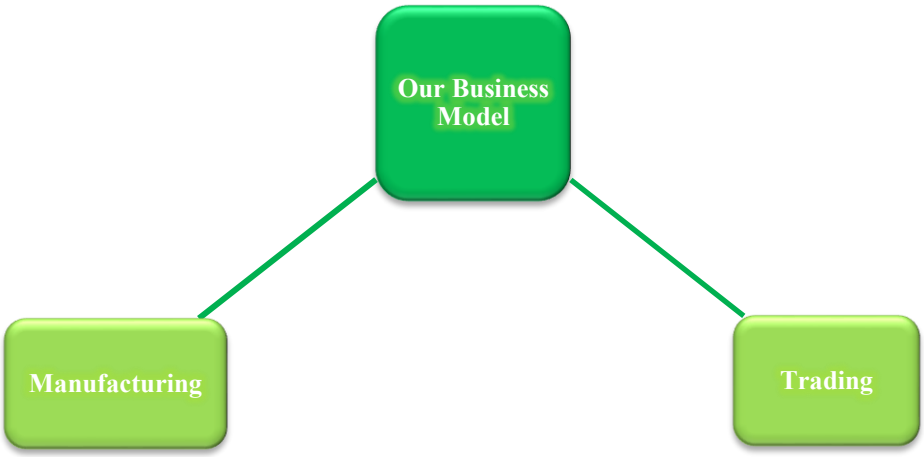
Our Company is engaged in the business of manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material. In addition to our manufacturing operations, we are also involved in the trading of aluminium scrap and other non-ferrous scrap materials, as well as the scrap and wastage generated from our manufacturing process. We manufacture aluminium ingots in various grades, including standard and customized alloys such as ADC 12, ALSI12 Fe, and other customer-specific compositions. Our products are supplied to B2B customers operating in industries such as automotive, electrical, and engineering. Aluminium is widely used metal due to its lightweight, corrosion resistance, conductivity, and recyclability. The secondary aluminium industry, which involves recycling of aluminium scrap, plays a critical role in reducing energy consumption and promoting sustainability. Our operations carried out by our in-house manufacturing facility which is equipped with melting furnaces with controlled temperature systems, alloying and refining capabilities, in-house laboratory for chemical and physical testing, moulding and casting infrastructure, storage and handling facilities for raw material and finished goods. The facility is designed to handle various grades of aluminium scrap and produce ingots with consistent quality. Our Manufacturing unit is located at Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102, India, with an installed capacity of 15,200 MT for processing aluminium scrap. Our in house trained professionals undertake quality checks at various stages of manufacturing, including raw material inspection, in-process monitoring and final testing, to maintain consistency, reliability, compliance across our manufacturing process and to ensure conformity with customer specifications and applicable standards. Our Company has accreditations such as ISO 45001:2018 for occupation health and safety management systems and ISO 14001:2015 for environmental management systems. We supply our products domestically in the state of Haryana, Rajasthan, Uttar Pradesh, Delhi, Uttrakhand, Gujarat, Tamilnadu, Karnataka, Punjab, Himachal Pradesh and Madhya Pradesh.

We attribute our growth in this industry under the able leadership and guidance of Mr. Sanjeev Malhotra (Promoter, Chairman and Managing Director) and Mr. Sarthak Malhotra (Promoter and Whole-Time Director) and a dedicated qualified team of professionals of the Company. Mr. Sanjeev Malhotra has an overall entrepreneurial experience of more than 9 years in the Metal trading, manufacturing and recycling Industry. Mr. Sanjeev Malhotra has played a key role in formulating policies, procedures and devising organizational development plans. His leadership skills, business understanding, expertise and significant experience are instrumental for the growth of our business. He is involved in developing and maintaining relationships with key industrial customers. Currently he overlooks Administration, Human Resource and Maintenance department of the Company in addition to this he also has an experience of more than 20 years in Building Material Industry and Real Estate Industry. Mr. Sarthak Malhotra overlooks Accounts, Dispatch, Marketing, Production, Quality Sales and Storage department in the Company and has over 9 years of experience in the Metal trading, manufacturing and recycling Industry. For further details of our promoters and our management, please see chapters titled ***"Our Promoters and Promoters' Group"*** and ***"Our Management"*** on page no. 201 and 184 of this Draft Red Herring Prospectus.

### BUSINESS MODEL

The Company follows a business model that includes: 1. Manufacturing of Aluminium Ingots and 2. Trading of aluminium

scrap, other non-ferrous scrap materials and wastage generated from manufacturing operations.




**1. Manufacturing:**

Our core business activity is the manufacturing of aluminium ingots using recycled aluminium scrap as the primary raw material. The manufacturing process involves procurement of various grades of aluminium scrap, segregation, melting, alloying, refining, and casting into ingots of specified chemical composition and dimensions as per customer requirements. We procure raw materials from a diversified network of domestic suppliers and, where required, through imports. The raw material mix typically includes aluminium scrap, aluminium bike rim scrap, aluminium car rim scrap, aluminium brake shoe scrap, aluminium purja scrap, zorba, silicon, copper, taint tabor, twitch and tense. These materials are processed in our furnaces through controlled melting and refining processes, supported by in-house laboratory testing to ensure quality consistency. Our manufacturing operations are supported by in-house quality control and testing facilities, standardized production process and skilled technical personnel.

**2. Trading:**

In addition to manufacturing, our Company is engaged in the trading of aluminium scrap and other scrap materials, including non-ferrous scrap. This segment complements our manufacturing operations and allows us to leverage our sourcing capabilities, supplier relationships, and market understanding. We procure scrap materials from domestic and international market. Materials include aluminium scrap, copper scrap and other recyclable metals. The procured scrap is either sold directly to third-party customers or supplied to other manufacturers and recyclers. Also during the course of our manufacturing operations, certain wastage materials are generated. These include dross, skimmings, rejected or off specification material, furnaces residues and other recoverable or non-recoverable scrap. These materials are also sold to other recyclers. This trading activity enables us to optimize procurement volumes and pricing efficiencies, maintain strong supplier relationships through continuous engagement, generate additional revenue streams independent of manufacturing capacity utilization, contributes to environmentally sustainable operations through recycling and reuse and reduction in disposal costs.

## KEY PERFORMANCE INDICATORS OF OUR COMPANY

**(₹ In Lakhs except Percentage and Ratio)**

| Particulars* | Unit of Measurement | For the Year ended on March 31, 2026 | For the Year ended on March 31, 2025 | For the Year ended on March 31, 2024 |
|---|---|---|---|---|
| Revenue from Operations[(1)] | In ₹ | 25,667.19 | 14,421.53 | 5,268.67 |
| EBITDA[(2)] | In ₹ | 1,604.50 | 885.57 | 139.57 |
| EBITDA Margin[(3)] | In % | 6.25% | 6.14% | 2.65% |
| PAT[(4)] | In ₹ | 1,122.02 | 637.81 | 28.69 |
| PAT Margin[(5)] | In % | 4.37% | 4.42% | 0.54% |
| Return on equity[(6)] | In % | 54.94% | 55.04% | 3.97% |

| Particulars* | Unit of Measurement | For the Year ended on March 31, 2026 | For the Year ended on March 31, 2025 | For the Year ended on March 31, 2024 |
|---|---|---|---|---|
| Return on capital employed[7] | In % | 22.17% | 20.77% | 4.38% |
| Debt-Equity Ratio[8] | In Times | 1.70 | 1.75 | 1.93 |
| Current Ratio[9] | In Times | 1.39 | 1.28 | 1.05 |
| Inventory Turnover Ratio[10] | In Times | 9.26 | 11.40 | 9.56 |

**As certified by Statutory and Peer Review Auditor, M/s M Parashar & Co., Chartered Accountants, by their certificate dated September 23, 2026.*

**Notes:**

1. *Revenue from Operation means revenue from sales.*
2. *EBITDA is calculated as Profit Before Tax + Finance Cost + Depreciation and Amortization – Other Income.*
3. *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
4. *Profit After Tax (PAT) is calculated as Profit Before Tax – Taxes.*
5. *Profit after Tax (PAT) Margin is calculated as Profit after Tax divided by revenue from operations.*
6. *Return on Equity (ROE) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.*
7. *Return on Capital Employed (RoCE) is calculated as EBIT divided by capital employed, Capital Employed is defined as shareholders' equity plus total borrowings [Current & Non – Current].*
8. *Debt to Equity Ratio is calculated as Total Debt divided by Adjusted Net-Worth as per Restated Financial Statements.*
9. *Current Ratio is calculated as Current assets divided by Current liabilities.*
10. *Inventory Turnover Ratio is calculated as Cost of Goods Sold divided by Average Inventories.*

## REVENUE BIFURCATIONS

**Model Wise Revenue Break Up:**

***(₹ in Lakhs)***

| Sr. No. | Particulars** | For the Financial year ended | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | | Amount | % of total revenue from operations | Amount | % of total revenue from operations | Amount | % of total revenue from operations |
| 1. | Manufacturing | 22,397.93 | 87.26% | 11,379.99 | 78.91% | 2,265.52 | 43.00% |
| 2. | Trading | 3,269.26 | 12.74% | 3,041.54 | 21.09% | 3,003.15 | 57.00% |
| **Total** | | **25,667.19** | **100.00%** | **14,421.53** | **100.00%** | **5,268.67** | **100.00%** |

**Rounded Off.*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

**Product Wise Revenue Break-Up:**

***(₹ in Lakhs)***

| Particulars** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % of total revenue from operations | Amount | % of total revenue from operations | Amount | % of total revenue from operations |
| **A) Manufacturing of Aluminium Ingots** | | | | | | |
| ADC 12 | 12,378.30 | 48.23% | 8,691.14 | 60.27% | 591.13 | 11.22% |
| ALDC-3 | 7,950.79 | 30.98% | 1,880.21 | 13.04% | 1,646.30 | 31.25% |
| JED029 M3 | 33.83 | 0.13% | - | - | - | - |

| Particulars** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % of total revenue from operations | Amount | % of total revenue from operations | Amount | % of total revenue from operations |
| ALSI12 Fe | 753.12 | 2.93% | 48.48 | 0.34% | - | - |
| A380 | 128.25 | 0.50% | - | - | - | - |
| JED029 M1 | 1,153.64 | 4.49% | 760.15 | 5.27% | 28.10 | 0.53% |
| **Total (A)** | **22,397.93** | **87.26%** | **11,379.98** | **78.91%** | **2,265.52** | **43.00%** |
| | | | | | | |
| **B) Trading** | | | | | | |
| Aluminum Scrap | 1,917.83 | 7.47% | 2,099.04 | 14.55% | 2,226.08 | 42.25% |
| HMS iron Scrap | 151.44 | 0.59% | 356.64 | 2.47% | 554.49 | 10.52% |
| Iron Scrap | - | - | - | - | 73.91 | 1.40% |
| Copper Scrap | 986.33 | 3.84% | 414.66 | 2.88% | 54.65 | 1.04% |
| Aluminum Ingot | - | - | - | - | 37.20 | 0.71% |
| Other Metal Scrap | 2.50 | 0.01% | 1.93 | 0.01% | 31.54 | 0.60% |
| Stainless Steel Scrap | - | - | - | - | 18.99 | 0.36% |
| Brass Scrap | 71.20 | 0.28% | 13.82 | 0.10% | 4.13 | 0.08% |
| Stainless Steel | - | - | 2.39 | 0.02% | 2.16 | 0.04% |
| MS turning Scrap | 0.99 | 0.00% | 148.23 | 1.03% | - | - |
| Zinc Scrap | 138.97 | 0.54% | 4.84 | 0.03% | - | - |
| **Total (B)** | **3,269.26** | **12.74%** | **3,041.55** | **21.09%** | **3,003.15** | **57.00%** |
| | | | | | | |
| **Total Revenue from Operations (A+B)** | **25,667.19** | **100.00%** | **14,421.53** | **100.00%** | **5,268.67** | **100.00%** |

**Rounded Off.*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

***State Wise Revenue Break Up:***

***(₹ in Lakhs)***

| Sr. No. | Name of State** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|---|
| | | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | | Amount | % of total revenue from operations | Amount | % of total revenue from operations | Amount | % of total revenue from operations |
| 1 | Haryana | 18,160.84 | 70.76% | 9,860.78 | 68.37% | 3,171.04 | 60.19% |
| 2 | Rajasthan | 6,379.79 | 24.86% | 2,871.73 | 19.91% | 46.65 | 0.89% |
| 3 | Uttar Pradesh | 332.03 | 1.29% | 996.10 | 6.91% | 1,160.65 | 22.03% |
| 4 | Delhi | 261.39 | 1.02% | 44.75 | 0.31% | 261.98 | 4.97% |
| 5 | Uttarakhand | 87.45 | 0.34% | 407.73 | 2.83% | 357.37 | 6.78% |
| 6 | Gujarat | 0.32 | 0.00% | 53.14 | 0.37% | 63.27 | 1.20% |
| 7 | Tamil Nadu | 61.03 | 0.24% | - | - | - | - |
| 8 | Karnataka | 383.34 | 1.49% | - | - | - | - |
| 9 | Punjab | - | - | 142.15 | 0.99% | 184.28 | 3.50% |
| 10 | Himachal Pradesh | 0.99 | 0.00% | 45.16 | 0.31% | - | - |
| 11 | Madhya Pradesh | - | - | - | - | 23.44 | 0.44% |
| **Total** | | **25,667.19** | **100.00%** | **14,421.53** | **100.00%** | **5,268.67** | **100.00%** |

*Rounded Off.*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated Septemebr 23, 2026.*

## BRIEF DESCRIPTION OF OUR PRODUCT

**Aluminium Ingots:**

| Description | Sample Image |
|---|---|
| Aluminium Ingots are cast metal blocks produced by melting, refining, and alloying aluminium scrap to achieve desired chemical compositions and physical properties. These ingots are supplied in standardized shapes and sizes, and can also be customized based on specific customer requirements. These aluminium ingots serve as a key raw material for a wide range of industries, including automotive, and electrical, engineering. We manufacture and supply different grades aluminium ingots such as ADC 12, ALSI12 Fe, JED029 M3, A380, ALDC-3 and JED029 M1. The key parameters in manufacturing aluminium ingots are chemical composition, weight and dimensions, surface finish, purity levels and mechanical properties. Each batch of aluminium ingots is tested and certified to ensure compliance with customer specifications prior to dispatch. |  |

Following is the discreption of different types of ingotes manufactured by us along with their composition and product specifications.

**ADC 12:**

Below is the chemical composition of ADC 12 grade:

| Particulars | Si | Fe | Cu | Mn | Mg | Zn | Ni | Cr | Pb | Ti | Sn | Al |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mean | 9.60% | - | 1.50% | - | - | - | - | - | - | - | - | - |
| Max | 12.00% | 0.90% | 3.50% | 0.50% | 0.3 | 0.95 | 0.5 | 0.05% | 0.1 | 0.2 | 0.1 | Bal |
| S Factor | 1.80% | - | - | - | - | - | - | - | - | - | - | - |

**ALSI12 Fe:**

Below is the chemical composition of ALSI12 Fe grade:

| Particulars | Si | Fe | Cu | Mn | Mg | Zn | Ni | Cr | Pb | Ti | Sn | Al |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mean | 10.50% | - | - | - | - | - | - | - | - | - | - | - |
| Max | 13.50% | 1.0 Max | 0.1 | 0.55% | 0.05% | 0.15% | 0.05% | 0.05% | 0.05% | 0.15% | 0.05% | Bal |
| S Factor | 1.80% | - | - | - | - | - | - | - | - | - | - | - |

**JED029 M3:**

Below is the chemical composition of JED029 M3 grade:

| Particulars | Si | Fe | Cu | Mn | Mg | Zn | Ni | Cr | Pb | Ti | Sn | Al |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mean | 7.50% | - | 2.00% | - | 0.15% | - | - | - | - | - | - | - |
| Max | 12.00% | 1.30% | 3.00% | 0.60% | 0.55% | 3.00% | 0.30% | 0.05% | 0.30% | 0.20% | 0.35% | Bal |
| S Factor | 1.80% | - | - | - | - | - | - | - | - | - | - | - |

**A380:**

Below is the chemical composition of A380 grade:

| Particulars | Si | Fe | Cu | Mn | Mg | Zn | Ni | Cr | Pb | Ti | Sn | Al |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mean | 7.50% | - | 3.00% | - | - | - | - | - | - | - | - | - |
| Max | 9.50% | 1.30% | 4.00% | 0.50% | 0.10% | 3.00% | 0.50% | 0.05% | 0.20% | 0.30% | 0.30% | Bal |
| S Factor | 1.80% | - | - | - | - | - | - | - | - | - | - | - |

**ALDC-3:**

Below is the chemical composition of ALDC-3 grade:

| Particulars | Si | Fe | Cu | Mn | Mg | Zn | Ni | Cr | Pb | Ti | Sn | AL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mean | 9.60% | 0.60% | 1.50% | - | - | - | - | - | - | - | - | - |
| Max | 12.00% | 1.00% | 3.50% | 0.50% | 0.30% | 1.00% | 0.50% | 0.05% | 0.10% | 0.20% | 0.10% | BAL |
| S Factor | 1.80% | - | - | - | - | - | - | - | - | - | - | - |

**JED029 M1:**

Below is the chemical composition of JED029 M1 grade:

| Particulars | Si | Fe | Cu | Mn | Mg | Zn | Ni | Cr | Pb | Ti | Sn | AL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mean | 10.00% | - | - | - | - | - | - | - | - | - | - | - |
| Max | 13.50% | 1.30% | 1.20% | 0.55% | 0.40% | 0.55% | 0.50% | 0.10% | 0.20% | 0.20% | 0.20% | BAL |
| S Factor | 1.80% | - | - | - | - | - | - | - | - | - | - | - |

## DETAILS OF TOP CUSTOMERS AND SUPPLIERS

The details of the revenue accounted for cumulatively by our top 1, 5 and 10 customers for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, is provided hereunder:

***(₹ in Lakhs)***

| Revenue from Operations** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % of total revenue from operations | Amount | % of total revenue from operations | Amount | % of total revenue from operations |
| Top One (1) Customer | 6,320.41 | 24.62 | 4,726.16 | 32.77 | 605.86 | 11.50 |
| Top Five (5) Customers | 19,255.24 | 75.02 | 11,247.41 | 77.99 | 2,001.28 | 37.98 |
| Top Ten (10) Customers | 22,794.13 | 88.81 | 12,711.93 | 88.15 | 3,020.72 | 57.33 |

** Rounded Off*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

**Top 10 Customers:** Our top 10 customers in terms of amount for the financial years ended on March 31, 2026, March 31, 2025 and March 31, 2024 are as under:

***(₹ in lakhs)***

| Particulars**# | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % | Amount | % | Amount | % |
| Top Customer 1 | 6,320.41 | 24.62% | 4,726.16 | 32.77% | 605.86 | 11.50% |
| Top Customer 2 | 5,805.17 | 22.62% | 2,869.42 | 19.90% | 542.62 | 10.30% |
| Top Customer 3 | 3,044.26 | 11.86% | 1,844.06 | 12.79% | 305.46 | 5.80% |
| Top Customer 4 | 2,786.60 | 10.86% | 1,378.20 | 9.56% | 302.91 | 5.75% |
| Top Customer 5 | 1,298.80 | 5.06% | 429.57 | 2.98% | 244.43 | 4.64% |
| Top Customer 6 | 1,029.87 | 4.01% | 396.19 | 2.75% | 228.95 | 4.35% |
| Top Customer 7 | 971.21 | 3.78% | 285.83 | 1.98% | 224.40 | 4.26% |
| Top Customer 8 | 968.05 | 3.77% | 280.89 | 1.95% | 217.84 | 4.13% |
| Top Customer 9 | 331.89 | 1.29% | 251.22 | 1.74% | 174.54 | 3.31% |
| Top Customer 10 | 237.87 | 0.93% | 250.39 | 1.74% | 173.71 | 3.30% |
| **Total** | **22,794.13** | **88.81%** | **12,711.93** | **88.15%** | **3,020.72** | **57.33%** |

*#Name of our customers has not been separately disclosed to preserve confidentiality.*

**Rounded Off*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

The details of the purchases accounted for cumulatively by our top 1, 5 and 10 suppliers for the financial years ended March 31, 2026, March 31, 2025, and March 31, 2024, is provided hereunder:

***(₹ in Lakhs)***

| Purchase from Suppliers** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % | Amount | % | Amount | % |
| Top One (1) Supplier | 6,033.60 | 24.36 | 2,681.72 | 19.38 | 1,531.63 | 30.75 |
| Top Five (5) Suppliers | 12,213.77 | 49.32 | 8,855.83 | 63.99 | 3,662.92 | 73.54 |
| Top Ten (10) Suppliers | 17,446.43 | 70.45 | 10,686.36 | 77.22 | 4,181.53 | 83.94 |

** Rounded Off*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

**Top 10 Suppliers:** Our top 10 suppliers in terms of amount for the financial years ended on March 31, 2026, March 31, 2025 and March 31, 2024 are as under:

***(₹ in lakhs)***

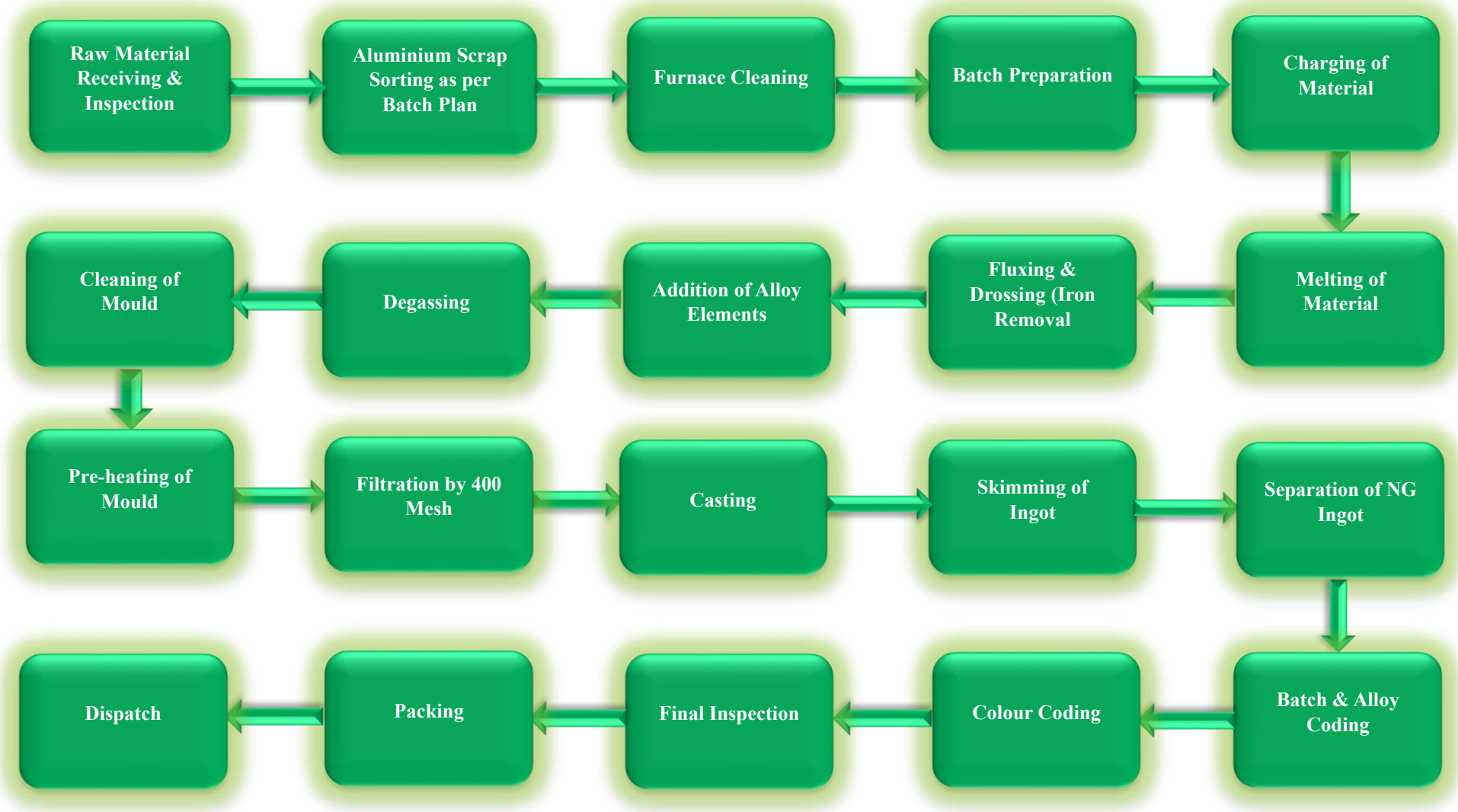
| Particulars**# | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % | Amount | % | Amount | % |
| Top Supplier 1 | 6,033.60 | 24.36% | 2,681.72 | 19.38% | 1,531.63 | 30.75% |
| Top Supplier 2 | 2,129.79 | 8.60% | 2,129.84 | 15.39% | 1,064.95 | 21.38% |
| Top Supplier 3 | 1,485.43 | 6.00% | 1,710.53 | 12.36% | 514.86 | 10.34% |
| Top Supplier 4 | 1,342.09 | 5.42% | 1,312.30 | 9.48% | 292.89 | 5.88% |
| Top Supplier 5 | 1,222.86 | 4.94% | 1,021.44 | 7.38% | 258.59 | 5.19% |
| Top Supplier 6 | 1,191.91 | 4.81% | 646.54 | 4.67% | 167.82 | 3.37% |
| Top Supplier 7 | 1,165.39 | 4.71% | 386.58 | 2.79% | 137.68 | 2.76% |
| Top Supplier 8 | 1,086.81 | 4.39% | 272.21 | 1.97% | 73.55 | 1.48% |
| Top Supplier 9 | 937.96 | 3.79% | 267.53 | 1.93% | 70.25 | 1.41% |
| Top Supplier 10 | 850.59 | 3.43% | 257.67 | 1.86% | 69.31 | 1.39% |
| **Total** | **17,446.43** | **70.45%** | **10,686.36** | **77.22%** | **4,181.53** | **83.94%** |

*#Name of our suppliers has not been separately disclosed to preserve confidentiality.*

**Rounded Off*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated Septemebr 23, 2026.*

## MANUFACTURING PROCESS FLOW CHART:



**Manufacturing Process of Aluminium Ingots:**

**1. Raw Material Receiving & Inspection**

The primary raw materials used in the manufacturing process consist of aluminium scrap, aluminium bike rim scrap, aluminium car rim scrap, aluminium brake shoe scrap, aluminium purja scrap, zorba, silicon, copper, taint tabor, twitch and tense. Once received, the raw materials are sent to Quality Assurance department for quality inspection for assessing their chemical composition, presence of contaminants (like oil, coatings or moisture) and overall suitability for processing. The raw materials which are not meeting the prescribed standards are segregated and rejected and reprocessed.

**2. Aluminium Scrap Sorting as per Batch Plan**

The aluminium scrap is segregated based on grade, composition and physical characteristics. Pre-processing activities such as removal of coatings, oil or other contaminants and size reduction through shredding or cutting are undertaken to facilitate efficient, uniform melting and to minimize impurities in the final product.

**3. Furnace Cleaning**

Furnace cleaning is undertaken to ensure operational efficiency, maintain product quality and extend the useful life of the furnace. During the melting of aluminium scrap various residues such as dross, slag, oxides and other non-metallic impurities accumulate within the furnace. If not removed in a timely and systematic manner, such deposits may adversely impact heat transfer efficiency, contaminate subsequent melts and increase metal losses. The furnace is gradually brought down from operating temperatures in a controlled manner to avoid thermal stress and structural damage to the refractory lining. Adequate cooling is ensured to enable safe manual or mechanical intervention. The accumulated dross and slag deposits are removed from the furnace hearth and walls using appropriate tools and equipment.

**4. Batch Preparation**

Based on the specific alloy grade requirements of customer, the Company undertakes charge mix calculations to determine the proportion of various raw materials and alloying elements. Such calculations are carried out considering factors such as desired chemical composition, expected process losses, recovery rates, and permissible impurity levels. The raw materials are thereafter weighed using calibrated weighing systems to ensure adherence to the prescribed batch formulation. Each batch is assigned a unique identification number and relevant details, including composition, weight and source of materials, are recorded for traceability and quality control purposes.

**5. Charging of Material**

The prepared batch is subsequently transferred to the furnace charging area using appropriate material handling equipment such as forklifts, cranes, or charging buckets, ensuring minimal contamination or loss during transit. Prior to charging, the furnace condition, including temperature and cleanliness, is verified to ensure readiness for the melting operation. Adequate precautions are undertaken to ensure that all materials charged into the furnace are free from moisture, oil, grease, and other volatile contaminants, as the presence of such substances may result in safety hazards, including explosions or excessive fume generation. During the charging process, care is taken to avoid overloading of the furnace beyond its rated capacity, as well as to maintain proper distribution of materials within the furnace to ensure uniform melting. Operators continuously monitor the charging rate and furnace conditions to prevent temperature fluctuations and ensure process stability.

**6. Melting of Material**

The Company follows a a phased charging process wherein heavy scrap and primary aluminium are initially introduced to form a molten bath, followed by lighter scrap, in order to minimise oxidation losses and improve metal recovery. The furnace temperature is maintained typically in the range of approximately 600°C to 800°C, which is closely monitored and regulated through temperature control systems to ensure complete melting while preventing overheating, oxidation and excessive dross formation. During the melting process, non-metallic impurities and oxides separate from the molten metal and rise to the surface in the form of dross.

**7. Fluxing & Drossing (Iron Removal)**

The fluxing operations are undertaken to facilitate the separation of impurities, enhance metal recovery and protect the molten metal from atmospheric contamination. The dross generated is periodically removed to maintain the quality and cleanliness of the melt.

**8. Addition of Alloy Elements**

Upon completion of melting and refining, alloying elements, if required, are added to the molten metal to achieve the

desired grade and specification. The melt is homogenised to ensure uniform distribution of alloying elements, and samples are drawn and tested to verify chemical composition.

**9. Degassing**

Further, the Company carries out degassing of molten aluminium using inert gases such as nitrogen or argon and/or degassing agents to remove dissolved gases, primarily hydrogen, thereby reducing the risk of porosity in the final products.

**10. Cleaning of Mould**

Cleaning of moulds is an essential preparatory activity subsequent to the melting process and prior to casting of molten aluminium into ingots. This process is critical to ensure the quality, surface finish and dimensional consistency of the final products. The residual aluminium deposits, oxides, dross particles and other contaminants adhering to the inner surfaces of the moulds are removed through manual and/or mechanical cleaning methods. Such methods include scraping, wire brushing and, where required, the use of pneumatic or rotary cleaning tools. The Company may also undertake compressed air blowing to remove fine dust particles and loose impurities from the mould surfaces. Subsequently, a suitable coating or mould dressing, such as graphite or refractory-based coating, is applied uniformly on the inner surfaces of the moulds.

**11. Pre-heating of Mould**

Subsequent to cleaning and application of mould coating or dressing, the moulds are subjected to controlled pre-heating to eliminate residual moisture and to bring the moulds to an optimal operating temperature. The presence of moisture in moulds may lead to metal splashing, porosity and surface defects; accordingly, pre-heating is carried out to ensure complete dryness and thermal readiness of the moulds. The moulds are gradually heated to a temperature generally ranging between approximately 600°C to 800°C, which is monitored and controlled to prevent overheating or thermal distortion of the moulds. Properly pre-heated moulds facilitate smooth metal flow during pouring and reduce the risk of casting defects such as cold shuts, misruns, cracks and surface irregularities.

**12. Filtration by 400 Mesh**

The molten metal is passed through a fine filtration medium, typically comprising a 400 mesh screen to remove suspended non-metallic inclusions and impurities. The 400 mesh filtration system consists of a high-temperature resistant metallic or ceramic mesh with fine apertures, capable of trapping particles such as oxides, dross remnants, slag particles and other foreign materials that may be present in the molten metal. It is ensured that the filtration process is carried out under controlled conditions to maintain continuous metal flow while preventing clogging or overflow.

**13. Casting**

After completion of melting, refining and filtration processes, the molten aluminium is transferred from the furnace to ladles and conveyed to the casting area under controlled conditions to minimise temperature loss and contamination. The casting process is carried out using metallic moulds, which are cleaned, coated and pre-heated prior to use. The prepared moulds are arranged systematically on casting beds or conveyor systems to facilitate efficient and continuous operations. The temperature of the molten metal is maintained within an optimal range to ensure proper fluidity during pouring and uniform solidification. Molten aluminium is poured into the moulds through semi-automatic systems. The Company ensures controlled and uniform pouring to avoid turbulence, splashing and entrapment of gases or inclusions. Proper pouring techniques are adopted to maintain consistency in weight and dimensions of the ingots. Upon pouring, the molten metal begins to cool and solidify within the moulds. The cooling process may occur under natural atmospheric conditions or may be assisted through controlled cooling systems, such as air or water spray, depending on operational requirements.

**14. Skimming of Ingot**

Subsequent to casting and solidification, the ingots are allowed to cool to a suitable handling temperature. During the solidification process, residual impurities, oxides and dross particles may accumulate on the surface of the ingots, forming a thin, uneven layer. The skimming process involves removal of these surface impurities through manual and/or mechanical methods. Generally, hand tools such as scrapers, chisels or brushes are used to clean the top and side surfaces of the ingots. In certain cases, mechanical equipment may be deployed for efficient and uniform skimming, particularly in larger-scale operations. This process is carried out carefully to remove only the unwanted surface layer without affecting the dimensional integrity or weight of the ingots.

**15. Separation of NG Ingot**

Post completion of skimming, the ingots are subjected to systematic inspection and segregation procedures. The inspection process includes visual examination and, where required, dimensional and quality checks to assess conformity with the Company's internal specifications and customer requirements. During inspection, ingots are evaluated for defects such as surface irregularities, cracks, blow holes, shrinkage cavities, improper shape, excessive oxidation, inclusions and any other

visible or structural imperfections. Ingots not meeting the acceptable quality parameters are classified as Non-Good (NG) ingots. The identified NG ingots are segregated from the acceptable (Good) ingots through manual handling systems. The segregated NG ingots are not dispatched to customers and are reintroduced into the production cycle as scrap for re-melting, thereby enabling recovery of metal value and minimising material loss.

**16. Batch & Alloy Coding**

Following segregation of NG ingots, the acceptable (Good) ingots are systematically grouped into batches based on predefined parameters such as alloy grade, chemical composition, production shift, furnace number and date of manufacture. Each batch is prepared in a manner that ensures homogeneity and consistency of product characteristics within the batch. A unique batch identification number is assigned to each lot of ingots, which serves as a reference for tracking the production history, including raw material inputs, processing conditions and quality control records. Such batch identification facilitates traceability across the supply chain and supports effective quality management.

In addition to batch identification, alloy coding is undertaken to indicate the specific alloy grade and composition of the ingots. The alloy code is applied through physical marking, stamping, tagging or colour coding on the ingots and/or associated packaging. The coding system is designed to ensure clear and durable identification during storage, handling and transportation.

**17. Colour Coding**

Subsequent to completion of batching and alloy coding, the acceptable ingots are assigned specific colour codes corresponding to their respective alloy grades, batch classifications or customer specifications. The colour coding is applied on designated portions of the ingots, such as the top surface, edges or ends, using suitable marking materials including industrial paints, dyes or markers that are resistant to handling, environmental exposure and normal wear and tear. The application is carried out through semi-automated systems, ensuring clear visibility and durability of the markings. Adequate drying time is provided, where applicable, to ensure that the markings do not smudge or transfer during stacking and transportation.

**18. Final Inspection**

Post colour coding, the ingots are subjected to a comprehensive inspection process, which includes visual examination, dimensional verification and, where required, validation of chemical composition and physical properties. The visual inspection involves checking for surface defects such as cracks, blow holes, shrinkage cavities, excessive oxidation, inclusions, improper shape, sharp edges and any other irregularities that may affect the usability or acceptance of the ingots. It is ensured that the surface finish is uniform and that the ingots are free from any visible contamination. Dimensional checks are conducted on a sample or batch basis to verify that the ingots conform to the specified size, weight and shape requirements. In addition, the Company also verifies the correctness of batch identification, alloy coding and colour coding applied on the ingots. This includes cross-checking with production records, test certificates and chemical analysis reports generated during earlier stages of the manufacturing process. Where required, samples from the batch may be re-tested using spectrometers or other testing equipment to confirm the chemical composition and ensure adherence to the specified alloy grade. Any deviation observed is evaluated and appropriate corrective action is undertaken. The Company also ensures proper stacking, handling and packaging conditions during the inspection process to avoid damage to the ingots. Ingots that meet all the prescribed quality parameters are approved for packing and dispatch and moved to the finished goods inventory.

The Company maintains detailed records of final inspection, including inspection reports, test results and batch details, to ensure traceability and compliance with quality management systems. The final inspection process plays a crucial role in maintaining product quality, minimising customer complaints and ensuring that only compliant products are supplied to customers.

**19. Packing**

Post approval from the final inspection process, the accepted ingots are transferred to the packing area, where they are systematically arranged and prepared for dispatch. The ingots are stacked in a predefined configuration based on weight, size, alloy grade and customer-specific requirements. The stacking pattern is designed to ensure stability, ease of handling and optimal utilisation of storage and transportation space. The Company undertakes bundling or palletisation of ingots using suitable materials such as steel straps, plastic straps and/or wooden pallets, depending on customer specifications and logistical requirements. Each packed unit is affixed with appropriate identification labels and tags containing details such as batch number, alloy grade, weight, number of ingots, date of manufacture and customer-specific markings. The Company ensures that the packing details are aligned with batch and alloy coding records to maintain traceability.

**20. Dispatch**

The packed units are moved to the finished goods storage area or directly loaded onto transportation vehicles for dispatch to customers. Dispatch planning is carried out based on confirmed customer orders, delivery schedules and logistics arrangements. The Company prepares a dispatch schedule, taking into account factors such as order priority, transportation availability and destination requirements. The necessary documentation is prepared, which includes tax invoices, e-way bills, delivery challans, packing lists, test certificates and any other documents required for transportation and customer acceptance. The packed ingots are then loaded onto transportation vehicles such as trucks or trailers using appropriate material handling equipment, including forklifts or cranes. The Company ensures that proper loading practices are followed to prevent shifting, damage or deformation of the packed units during transit. The Company coordinates with logistics service providers to ensure timely dispatch and delivery. The dispatch details, including vehicle number, dispatch date and expected delivery timeline, are communicated to customers. Upon dispatch, records are updated in the Company's systems to reflect reduction in inventory and completion of order fulfilment.

## OUR COMPETITIVE STRENGTHS

**1. Experienced Promoters and Senior Management Team.**

Our growth and success are led by our visionary promoters Mr. Sanjeev Malhotra, and Mr. Sarthak Malhotra, who individually have experience of more than 9 years in the Metal trading, manufacturing and recycling Industry. Our promoters have played a key role in establishing and scaling our operations, including procurement, production optimization, quality control, and customer relationship management. The senior management team comprises qualified and experienced professionals with diverse functional expertise across procurement, operations, finance, and marketing. Their collective experience enables efficient sourcing of raw materials, including aluminium scrap and other inputs, through a well-established network of domestic suppliers, while also managing price volatility and ensuring uninterrupted supply. Additionally, our Promoters and senior management maintain long-standing relationships with customers and suppliers, which has facilitated repeat business and strengthened our market position. Their strategic vision and industry insights continue to guide the Company's growth, including expansion into new geographies, and enhancement of production capacities.

**2. In-house manufacturing facility supported by technology driven process**

We presently carry all our manufacturing operations through our production facility located at Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102, India, which has an installed capacity of 15,200 MT for processing aluminium scrap. We believe that we have been able to setup an efficient, technology driven manufacturing process that has helped us to manufacture our products in accordance with the requirements and specifications of our customers in a cost-effective manner. For instance, we use equipment such as burners and metal circulation furnaces which help us in saving fuel costs and enable better recovery from scrap and dross generated on account of the melting process. For segregation of scrap, we use magnetic separator and other manual pneumatic tools to ensure that the materials being fed into the furnaces are devoid of most impurities. Our infrastructure in the manufacturing facility gives us the flexibility to process various types of metal scrap, and manufacture alloys in line with the required composition and also enables us to process and utilize various types of scrap. We believe, our technological expertise and the availability of adequate equipments provides us a cost competitive advantage which in turn provides us an advantage in securing purchase orders from customers across the industries.

**3. Stringent quality control mechanism ensuring standardized product quality**

We employ an extensive and stringent quality control mechanism at each stage of the manufacturing process including a multi-stage check of raw materials, spectrometer test, density meter test, universal testing and hardness tester which are required to ensure that our finished product conforms with the exact requirement of our customers and successfully passes all validations and quality checks. The quality control process is carried out through the entire manufacturing value chain, commencing from procurement of raw materials to final dispatch of finished goods. Incoming raw materials, including aluminium scrap and alloying elements, are subjected to defined inspection protocols to assess parameters such as chemical composition, impurity levels and physical characteristics. Only materials that meet the prescribed standards are approved for further processing. We follow a structured inspection planning process, wherein inspection parameters, sampling methodologies and acceptance criteria are predefined based on material criticality and end-use requirements. Sampling is carried out on a lot-wise basis to ensure representativeness, and testing is conducted using appropriate methods. We also have a dedicated team of engineers along with a well-equipped in house laboratory. The key laboratory equipment and corresponding tests conducted by the Company are:

***(a) Spectrometer:***

The spectrometer test chemical composition by analyzing how a sample interacts with electromagnetic radiation. This test is essential to determine the precise elemental composition of the molten metal as well as finished ingots. The test is conducted during the melting stage to ensure proper alloying, prior to casting to confirm adherence to customer

specifications and on finished ingots for final quality validation.

***(b) Density Meter:***

The density meter is used to determine the density and internal soundness of aluminium samples. Density measurement is a critical parameter to assess the presence of impurities, porosity, inclusions or entrapped gases within the metal. The weight of the sample is measured in air and then in a liquid medium to calculate its density. Variations from standard density values may indicate internal defects or inconsistencies in the material.

***(c) Universal Testing Machine (UTM):***

The following machine is used to evaluate the mechanical properties of aluminium samples, particularly tensile strength, yield strength and elongation. The UTM applies controlled tensile or compressive force on a standardized test specimen until deformation or fracture occurs. The machine records stress-strain behaviour, which is used to determine ultimate tensile strength, yield strength and percentage elongation.

***(d) Hardness Tester:***

Hardness tester is used to measure the resistance of aluminium ingots to deformation or indentation. Hardness is an important indicator of the material's strength, wear resistance and durability. An indenter is pressed into the surface of the sample under a specified load. The size or depth of the indentation is measured to determine the hardness value. The test is conducted on finished ingots to verify mechanical consistency.

**4. Established Customer Relationship and Repeat Orders**

We have maintained long standing relationships with our customers. A substantial portion of the Company's sales is generated from repeat orders placed by existing customers. The continuity of such orders reflects customer confidence in the Company's product quality, service standards and operational consistency. Repeat business also provides revenue visibility and stability to the Company. Our Company is required to undergo stringent evaluation and audit processes prior to being approved as a supplier by our customers. Such process includes detailed assessment of our manufacturing capabilities, quality control system, testing infrastructure, production process, environmental and safety practices and overall operational reliability. Customers may also conduct site inspections, trial orders and technical evaluations before onboarding the Company as an approved supplier. The successful completion of such rigorous audit systems demonstrates the Company's adherence to prescribed standards and enhances its credibility in the market.

**5. Diversified and established raw material sourcing network**

The Company procures of its raw materials from domestic suppliers, including scrap traders and industrial units. Over recent years, the Company has significantly reduced its dependence on imported aluminium scrap as compared to earlier periods, and has increasingly focused on strengthening its domestic sourcing network. This transition has enabled the Company to benefit from reduced lead times, lower logistics costs and improved supply chain stability. Imports are currently undertaken on a limited and need-based basis, primarily to address specific quality requirements or opportunistic pricing scenarios. The Company has established relationships with a broad base of suppliers, diversified across geographies. A structured framework for supplier evaluation and continuous performance monitoring is followed by the Company. Suppliers are assessed based on parameters such as quality consistency, reliability of supply, pricing competitiveness and adherence to agreed specifications. Periodic reviews are conducted to ensure that only compliant and reliable suppliers are retained within the approved supplier base. Overall, the Company's diversified and established raw material sourcing network, characterized by a significant shift towards domestic procurement and reduced dependence on imports in recent years, enables it to maintain supply continuity, optimize procurement costs and support efficient and stable manufacturing operations.

## OUR BUSINESS STRATEGIES

**1. Focus on expanding production capacity and operational efficiency**

We intend to expand our production capacity and enhance operational efficiency in order to meet the growing demand for aluminium ingots across our key end-user industries, while improving cost competitiveness and profitability. Our approach is focused on a combination of capacity augmentation, process optimization, and technology adoption. We may evaluate opportunities for setting up new manufacturing unit or expand our existing manufacturing unit through the addition of furnaces, casting lines, and other ancillary infrastructure, subject to market conditions and financial viability. Such expansion is expected to enable us to increase our installed capacity and production volumes, thereby allowing us to cater to a larger customer base and capitalize on market opportunities. We continuously undertake initiatives to improve metal recovery rates and reduce process losses during melting and casting. Our efforts include better segregation and preprocessing of raw materials, improved furnace practices, and monitoring of critical process parameters. These measures

are expected to reduce raw material consumption per unit of output. We are also focused on strengthening our maintenance practices to ensure minimal downtime and uninterrupted operations. Through preventive and predictive maintenance strategies, we aim to improve equipment reliability, extend asset life, and reduce unexpected breakdowns.

**2. Focus on consistently meeting quality standards**

Our Company intends to focus on maintaining consistent quality standards of our product. Our strategy is centered on implementing quality control measures at multiple stages of our operations, including at the raw material procurement stage and throughout the manufacturing process. At the procurement stage, we undertake systematic inspection and testing of raw materials, including aluminium scrap and other inputs, to ensure conformity with our internal specifications and quality requirements. We procure raw materials from a network of established suppliers and conduct quality checks such as visual inspection, segregation based on grade, and, where required, chemical composition analysis. Materials that do not meet our prescribed standards are rejected or appropriately segregated to prevent any adverse impact on the final product quality. During the manufacturing process, we follow standardized operating procedures and implement in-process quality checks at various stages, including melting, alloying, and casting. We monitor key process parameters such as temperature control, chemical composition, and impurity levels to ensure consistency in the production process. Periodic sampling and testing are conducted to verify that the molten metal and finished ingots meet specified quality benchmarks and customer requirements. We also focus on ensuring uniformity in alloy composition and dimensional accuracy of our aluminium ingots. Our quality assurance processes include testing of finished products for parameters such as chemical composition, weight, and surface quality prior to dispatch. This multi-level inspection framework enables us to minimize defects, reduce rejections, and maintain consistency in our product offerings. Through the implementation of these measures, we aim to consistently meet customer specifications, reduce quality-related risks, and enhance customer satisfaction. Our focus on quality also supports our ability to secure repeat orders and expand our presence across diverse end-user industries.

**3. Continue to strengthen our relationship with the customers**

We intend to continue strengthening our relationship with our customers, which we believe is critical to ensuring stability in our revenues and supporting long-term growth. Our approach is focused on maintaining consistent engagement with our existing customers while also expanding our customer base across geographies and industry segments. We derive a significant portion of our revenues from repeat orders placed by our existing customers. We believe that such repeat business is a result of our ability to consistently supply products that meet required quality standards, adhere to agreed delivery timelines, and offer competitive pricing. Our efforts include ensuring timely dispatch of products, maintaining flexibility in production planning to accommodate customer schedules, and addressing any feedback or concerns in a timely manner. Such initiatives are expected to strengthen customer confidence and result in continued and increased order flow from our existing customer base. In addition to nurturing our existing relationships, we intend to actively explore opportunities to expand our customer base. We aim to onboard new customers across various end-user industries.

**4. Emphasis on cost optimization and margin improvement**

We continuously focus on cost optimization and margin improvement as a key component of our business strategy, with the objective of enhancing profitability and maintaining competitiveness in a price-sensitive aluminium ingot market. Our approach involves optimizing key cost drivers across procurement, manufacturing, and logistics functions, while improving operational efficiencies. Raw material cost constitutes a significant portion of our overall operating expenses. Accordingly, we undertake various initiatives to optimize procurement costs, including sourcing from a diversified network of domestic suppliers, negotiating competitive pricing, and aligning procurement with prevailing market conditions. We also focus on efficient raw material planning and inventory management to minimize holding costs and reduce exposure to price volatility. We also focus on minimizing process losses during the manufacturing process. Through better segregation and preprocessing of scrap, adherence to standardized operating procedures, and monitoring of melting and casting parameters, we focus to enhance yield efficiency and reduce consumption of raw materials per unit of output. This, in turn, contributes to improved margins. In addition, we focus on minimizing rejections, rework, and wastage through quality control mechanisms. By ensuring consistency in product quality and adherence to customer specifications, we focus to reduce costs associated with defects and enhance overall operational efficiency.

## SWOT ANALYSIS

| Strengths | Weaknesses |
|---|---|

| | |
|---|---|
| • Large and diversified domestic automotive market supporting sustained demand across passenger vehicles, commercial vehicles and two-wheelers<br>• Well-established automotive manufacturing and component ecosystem supporting a broad supplier base<br>• Growing adoption of lightweight materials such as aluminium to improve vehicle efficiency and performance<br>• Strong presence of organised OEMs and Tier-1 suppliers creating demand for specification-compliant and quality-certified materials and components | • Cyclical demand and sensitivity to interest rates, consumer income and broader economic conditions<br>• High dependence on metal-intensive inputs, exposing manufacturers to steel, aluminium and other raw-material price movements<br>• Increasing technological complexity and investment requirements associated with EVs, advanced components and changing vehicle architectures<br>• Supply-chain dependence on specialised components and raw materials, creating exposure to disruptions and lead-time constraints |
| **Opportunities** | **Threats** |
| • Increasing aluminium intensity in vehicles driven by lightweighting and fuel-efficiency requirements<br>• Vehicle scrappage and fleet modernisation can increase availability of end-of-life vehicles and recyclable automotive materials<br>• Expansion of EV manufacturing creating additional demand for aluminium-intensive components and materials<br>• Growing focus on circularity and recycled materials among automotive manufacturers can support greater use of secondary aluminium | • Rapid technological transition towards EVs may alter demand patterns across conventional automotive components<br>• Intensifying competition among OEMs and component manufacturers may increase pricing pressure across the value chain<br>• Tightening emission, safety and recycling regulations may increase compliance and technology costs<br>• Global supply-chain disruptions and commodity-price volatility can affect production costs, component availability and margins |

## PLANT AND MACHINERY AND OTHER FITTINGS

The details of key Equipment's in our Manufacturing Unit is given herein below:

| Sr No. | Name of Machine* | Quantity | Installed Capacity | Owned/Rented | Estimated Life (in Years) |
|---|---|---|---|---|---|
| 1 | Skelner Furnace 01 Industrial Furnace | 01 Nos | 06 Tons/ Batch | Owned | 27 Yrs |
| 2 | Skelner Furnace 02 Industrial Furnace | 01 Nos | 08 Tons/ Batch | Owned | 28 Yrs |
| 3 | Casting Converter | 01 Nos | 7.5 HP | Owned | 28 Yrs |
| 4 | APCM | 01 No | 40 HP | Owned | 28 Yrs |
| 5 | Sample Polish Machine | 01 No | 4 HP | Owned | 28 Yrs |
| 6 | Piston Cutting Machine | 01 No | 01 Tons | Owned | 28 Yrs |
| 7 | Bench Grinder | 01 No | 01 Tons | Owned | 28 Yrs |
| 8 | Ball Mill Machine | 01 No | 20 HP | Owned | 28 Yrs |
| 9 | Air Compressor | 01 No | 25 HP | Owned | 26 Yrs |
| 10 | Diesel Generator | 01 No | 62.5 KVA | Owned | 19 Yrs |
| 11 | Fork Lifts | 03 Nos | 03 Tons | Owned | 26 Yrs |
| 12 | EOT Cranes | 02 Nos | 05 Tons | Owned | 26 Yrs |
| 13 | Weigh Scale | 02 No | 300 Kgs | Owned | 26 Yrs |
| 14 | Digital Tensile Testing Machine (Make ALOE) | 01 No | NA | Owned | 28 Yrs |
| 15 | Rockwell Hardness Tester | 01 No | NA | Owned | 28 Yrs |
| 16 | Spectro Meter with Scanner and | 01 No | NA | Owned | 27Yrs |

| | | | | | |
|---|---|---|---|---|---|
| | Computer | | | | |
| 17 | Density Meter | 01 No | NA | Owned | 23 Yrs |

**As certified by chartered engineer Sanjeev Raghvendra Betdur, vide his certificate dated September 11, 2026.*

## INSTALLED CAPACITY AND CAPACITY UTILIZATION

***Installed Capacity and Capacity Utilization***

| Particulars* | March 31, 2026 | March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| Installed Capacity (in Tons) | 15,200 | 9,900 | 7,200 |
| Capacity Utilized (in Tons) | 13,322 | 6,037 | 4,520 |
| Utilized Capacity (in %) | 87.64% | 60.98% | 62.78% |

**As certified by chartered engineer Sanjeev Raghvendra Betdur, vide his certificate dated September 11, 2026.*

## END USERS

Our aluminium ingots are supplied to a diverse set of end users across multiple industries. As aluminium ingots serve as a key raw material for casting and manufacturing processes, demand for our products is closely linked to the performance of industries such as Automotive, Electrical, and Engineering.

## CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Our Company is liable to spend under CSR as per the provisions of section 135 of the Companies Act, 2013. As our company falls in the criteria specified in Section 135 of Companies Act, 2013 as per the Financial Statements for the year ended March 31, 2026, March 31, 2025 and March 31, 2024, the details of amount eligible to spent and actual spent by the company are as under:

***(₹ In Lakhs)***

| Particulars | March 31, 2026 | | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|---|---|
| | Spent | Amount Eligible | Spent | Amount Eligible | Spent | Amount Eligible |
| Construction/Acquisition of any asset | NA | NA | NA | NA | NA | NA |
| On other purposes | 0.00 | 5.53 | 0.77 | 0.77 | NA | NA |
| **Total** | **0.00** | **5.53** | **0.77** | **0.77** | NA | NA |

## LOCATION

| | |
|---|---|
| **Registered Office, Corporate Office and Manufacturing Unit** | **Registered Office:** 14/A33 III[rd] Floor Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India.<br><br>**Corporate Office and Manufacturing Unit:** Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana-121102, India |

**Some of the pictures of our registered office, manufacturing unit and SEZ unit are as follows:**









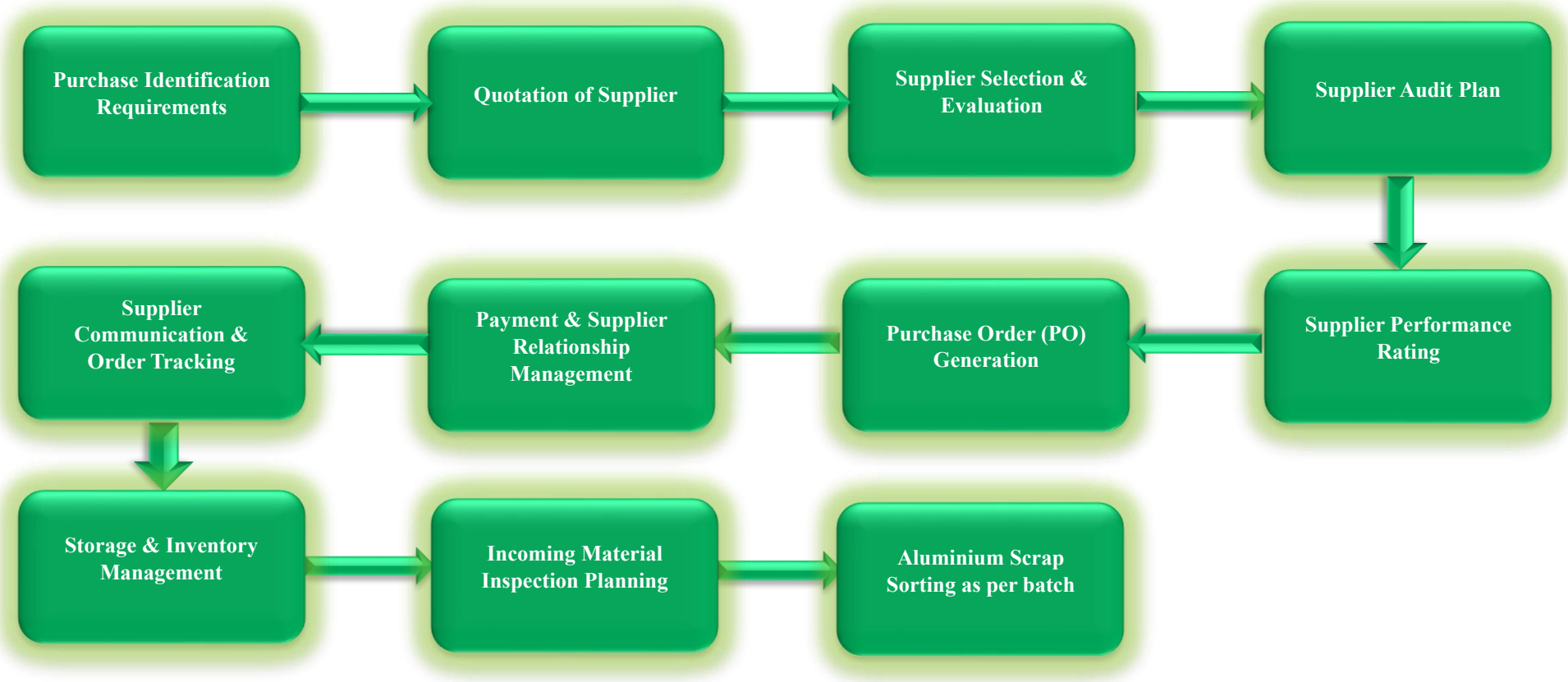





## RAW MATERIAL

The primary raw materials used in the manufacturing process consist of aluminium scrap, aluminium bike rim scrap, aluminium car rim scrap, aluminium brake shoe scrap, aluminium purja scrap and alloying elements. The quality, composition and consistency of such raw materials play a critical role in determining the properties and market acceptability of the finished products. Aluminium scrap constitutes a significant portion of the Company's raw material requirements. Earlier, the Company sourced a majority of its raw materials through imports; however, in recent periods, it has significantly reduced its reliance on imports and increased domestic procurement, primarily in response to global trade uncertainties and volatility in U.S. dollar-denominated costs, particularly in the aluminium sector. The scrap is procured from various domestic sources, including traders and industrial units.

**Raw Material Procurement Process Flow Chart:**



**Raw Material Procurement Process:**

**1. Purchase Identification Requirements**

The process commences with the assessment of raw material requirements based on monthly production targets, customer orders, historical consumption patterns and inventory levels. The production and procurement team coordinate to determine the quantity and type of raw materials required, including aluminium scrap and alloying elements, in line with the Company's manufacturing schedule and product specifications. Further, the Company evaluates the specific requirements of raw materials based on alloy grades to be produced, taking into account factors such as chemical composition, purity levels and compatibility of scrap types. The procurement team also considers prevailing market conditions, including availability of scrap, price trends, supplier reliability and logistical factors, while identifying purchase requirements. In case of imported raw materials, additional considerations such as foreign exchange fluctuations, import duties and global trade conditions are taken into account.

**2. Quotation of Supplier**

The procurement team initiates the process of obtaining quotations from approved as well as new suppliers. Requests for quotations are issued to multiple vendors, specifying detailed requirements such as type of raw material (including aluminium scrap, or alloying elements), quantity, quality specifications, delivery timelines, packaging requirements and applicable commercial terms. Upon receipt of quotations, the procurement team compares the quotations of various suppliers and final selection of suppliers is made based on a combination of commercial and technical considerations, ensuring alignment with the Company's procurement standards and operational requirements.

**3. Supplier Selection and Evaluation**

Following the comparison of quotations, the procurement team, in coordination with the quality control and management team identifies shortlisted suppliers. The selection process is not solely price-driven and incorporates a comprehensive evaluation of supplier capabilities and past performance. Evaluation of suppliers is done based on the various criteria such as compliance with specified quality standards and chemical composition requirements, consistency and reliability of supply, pricing competitiveness and stability. For new suppliers, the Company may undertake additional due diligence procedures, including background verification, review of credentials, site visits or sample material testing to assess suitability. Based on the evaluation, the Company selects the most suitable suppliers for placement of purchase orders.

**4. Supplier Audit Plan**

The suppliers are categorized based on factors such as criticality of raw materials, volume of procurement, past performance and associated risk levels. Based on such categorization, an audit plan is formulated to determine the frequency, scope and type of audits to be conducted for each supplier. The supplier audit plan includes monthly audits for all the suppliers. The scope of the audit encompasses evaluation of the supplier's manufacturing processes, quality control systems, material handling practices, storage conditions, testing facilities and compliance with agreed specifications. The supplier audit plan is periodically reviewed and updated based on changes in procurement strategy, supplier performance and operational requirements. The supplier audit process enables the Company to maintain good standards of raw material quality, strengthen supplier relationships and ensure continuity and reliability in its procurement operations.

**5. Supplier Performance Rating**

The supplier performance rating process is carried out on a periodic basis depending on the criticality of the supplier and volume of transactions. The Company evaluates suppliers using a structured rating system based on predefined parameters aligned with its operational and quality requirements. The key criteria considered for performance rating include quality of materials supplied, delivery performance, commercial competitiveness, service levels, audit and compliance status. Each criteria is assigned a weightage and suppliers are scored based on their performance against these criteria. Such evaluation enables identification of high-performing suppliers for long-term engagement and preferential procurement, while also highlighting underperforming suppliers requiring corrective actions.

**6. Purchase Order (PO) Generation**

Based on the approved purchase requisition, supplier selection and performance evaluation, the procurement team initiates the preparation of a purchase order ("PO"). The purchase order contains details such as name and address of supplier, description and specification of raw material (such as aluminium scrap, alloying elements), quantity, agreed price and total order value, delivery schedule and destination, packaging and transportation requirements, payment terms. The PO is reviewed and formally issued to selected supplier.

**7. Payment and Supplier Relationship Management**

Upon receipt of raw materials against the issued purchase order, the Company ensures that the materials received are in accordance with the agreed terms and conditions, including quantity, price and quality specifications. Post acceptance of

materials, the supplier submits invoices. Upon successful verification, the invoices are processed for payment in accordance with the agreed payment terms. In addition to payment processing, the Company actively manages its relationships with suppliers to ensure long-term collaboration and supply chain stability. The Company maintains regular communication with suppliers regarding order status, delivery schedules, quality feedback and market developments. The Company also shares feedback based on supplier performance ratings, audit findings and quality assessments, enabling suppliers to undertake corrective and preventive actions.

**8. Supplier Communication and Order Tracking**

The Company maintains continuous communication with suppliers from the time of purchase order issuance until completion of delivery and closure of the transaction cycle. Such communication is carried out through formal channels including emails, telephonic interactions. Upon issuance and acceptance of the purchase order, the Company monitors the status of each order to ensure adherence to agreed delivery schedules. The procurement team tracks order confirmation by the supplier, dispatch readiness, shipment details and transit status and expected date of delivery at the Company's facility. The Company undertakes supplier communication and order tracking as an ongoing post-procurement activity in order to ensure transparency, timely delivery of raw materials and effective coordination across the supply chain.

**9. Storage and Inventory Management**

On arrival of raw materials at the manufacturing facility, the materials are received at designated unloading zones. The logistics team coordinates the unloading process using appropriate handling equipment such as forklifts, cranes and loaders to prevent physical damage and contamination. Each consignment is verified against the purchase order, delivery challan and other supporting documents to ensure accuracy in quantity and specifications. Post unloading, the materials undergo a goods inward process, wherein the inward register is updated. All accepted materials are recorded in the Company's inventory management system and are segregated based on type, grade, composition and intended usage. The Company maintains separate storage zones for different categories such as aluminium scrap, alloying elements and flux materials. This classification facilitates easy identification, prevents cross-contamination and ensures efficient batch preparation during the production process. The Company maintains storage facility, including open yards and designated bins, depending on the nature of the material. Materials sensitive to moisture or contamination are stored in covered areas with appropriate ventilation and protective measures. The Company undertakes periodic physical verification of inventory, including cycle counts and stock audits, to ensure accuracy of records. Variances, if any, between physical stock and system records are investigated and reconciled. Appropriate corrective actions are implemented to strengthen inventory controls and prevent recurrence.

**10. Incoming Material Inspection Planning**

The Incoming raw material inspection is undertaken to ensure that all raw materials proposed to be issued for production conform to prescribed quality standards and are suitable for use in the manufacturing of aluminium ingots. A detailed inspection plan is formulated outlining the parameters to be tested, sampling methods, frequency of inspection and acceptance criteria. These plans are developed in accordance with internal quality standards, customer requirements, and applicable industry practices. Inspection protocols include chemical composition analysis, visual inspection, dimensional checks, and testing for impurities or contamination. For each batch or lot of material, a sampling methodology is established to ensure representative testing. The Company defines lot sizes based on quantity received, supplier batch identification or storage classification. Sampling techniques are designed to minimize bias and ensure that test results accurately reflect the quality of the entire lot. Samples are properly labeled and documented to maintain traceability.

**11. Aluminium scrap sorting as per batch plan**

Based on the production schedule and specified alloy grades, the production team prepare a batch plan outlining the required chemical composition and input material mix. The production team identify suitable scrap materials from inventory in accordance with the batch plan. Selected scrap materials are physically sorted at designated sorting areas within the facility. The sorting process involves manual segregation to remove foreign materials such as plastic, rubber, ferrous metals, dirt, oil residues and other contaminants. Magnetic separators, cutting tools and screening equipment may be used to enhance sorting efficiency and accuracy. Non-conforming or contaminated materials are separated and redirected for reprocessing or disposal. The sorted scrap is weighed using calibrated weighing systems to match the proportions defined in the batch plan. The Aluminium scrap sorting as per batch plan process enables the Company to ensure precise control over raw material composition, reduce variability in production and maintain consistent quality of aluminium ingots while optimizing material utilization and cost efficiency.

**State wise bifurcation of raw material procurement:**

*(₹ in Lakhs)*

| Name of State** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % | Amount | % | Amount | % |
| Punjab | 8,856.04 | 35.76% | 2,941.65 | 21.26% | 1,391.71 | 27.94% |
| Delhi | 8,247.23 | 33.30% | 7,072.75 | 51.11% | 853.40 | 17.13% |
| Haryana | 5,972.31 | 24.11% | 1,710.24 | 12.36% | 745.04 | 14.96% |
| Uttar Pradesh | 361.08 | 1.46% | 295.32 | 2.13% | 138.35 | 2.78% |
| Rajasthan | 262.64 | 1.06% | 17.20 | 0.12% | - | - |
| Maharashtra | 70.69 | 0.29% | 46.06 | 0.33% | 5.07 | 0.10% |
| Gujarat | 9.69 | 0.04% | 38.28 | 0.28% | - | - |
| Chhattisgarh | 9.64 | 0.04% | 7.33 | 0.05% | - | - |
| **Total** | **23,789.32** | **96.05%** | **12,128.83** | **87.65%** | **3,133.57** | **62.90%** |

** Rounded Off*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

**Country wise bifurcation of raw material procurement:**

*(₹ in Lakhs)*

| Name of Country** | For the Financial Year ended | | | | | |
|---|---|---|---|---|---|---|
| | March 31, 2026* | | March 31, 2025* | | March 31, 2024* | |
| | Amount | % | Amount | % | Amount | % |
| India | 23,789.32 | 96.05% | 12,128.83 | 87.65% | 3,133.57 | 62.90% |
| China | 63.21 | 0.26% | 6.37 | 0.05% | 137.68 | 2.76% |
| Australia | 498.96 | 2.01% | 1,312.30 | 9.48% | 1,531.61 | 30.75% |
| United States | 39.02 | 0.16% | 271.95 | 1.97% | 143.79 | 2.89% |
| Singapore | - | - | 83.77 | 0.61% | 34.97 | 0.70% |
| Brazil | - | - | 34.76 | 0.25% | - | - |
| South Africa | 376.17 | 1.52% | - | - | - | - |
| **Total** | **24,766.68** | **100.00%** | **13,837.98** | **100.00%** | **4,981.62** | **100.00%** |

** Rounded Off*

*** As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

## UTILITIES AND INFRASTRUCTURE

**Power:**

Our registered office, corporate office and manufacturing unit have adequate power supply position from the state supply utilities. The company has sufficient sanctioned consumption limits from BSES Yamuna Power Limited to operate its registered office and from Dakshin Haryana Bijli Vitran Nigam to operate its corporate office and manufacturing unit.

**Water:**

For registered office, we source water supply from Delhi Jal Board and for corporate office and manufacturing unit we source water supply from Nidhi Water Solution.

**Transportation:**

For procurement of raw material from suppliers and to deliver our products to customers we have adopted facility of third-party transportation.

## HUMAN RESOURCES

As of March 31, 2026, the Company had 42 permanent employees and engages personnel on a contractual basis, as and when required, depending on its operational requirements. Details of the permanent employees of our company are set forth below:

| Particulars | No. of Employees |
|---|---|
| Management | 2 |
| Accounts and Finance | 6 |
| Administration | 2 |
| Production | 11 |
| Dispatch | 8 |
| Human Resource | 2 |
| Sales | 1 |
| Quality | 4 |
| Marketing | 1 |
| Maintenance | 4 |
| Storage | 1 |
| **Total** | **42** |

## ATTRITION RATE

The Employee attrition rate for the last 3 financial years is as per below table:

| Sr. No. | Particulars** | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| 1 | Opening Balance | 38 | 40 | 29 |
| 2 | Addition | 60 | 72 | 63 |
| 3 | Attrition | 56 | 74 | 52 |
| 4 | Closing Balance | 42 | 38 | 40 |
| 5 | Average* | 40 | 39 | 34.50 |
| **% Attrition*** | | **140.00%** | **189.74%** | **150.72%** |

***Note:***

1. *Average Employees= (Opening employees+ Closing Employees)/2;*
2. *Attrition rate is calculated as Attrition/Average Employees*100*
3. *The percentage of attrition rate include the KMP as well as SMP of our Company*

***As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

## TRAINING TO THE EMPLOYEES:

We conduct training and awareness activities with our employees on regular intervals. These activities are designed to upskill the workers for improvement of productivity and safety.





**Details of Employees' Provident Fund and Employees State Insurance Corporation as on March 31, 2026:**

| Particulars | Number of employees registered | Amount paid *(in ₹)* |
|---|---|---|
| Employees' Provident Fund | 2 | 5,155 |
| Employees State Insurance Corporation | 2 | 1,225 |

We seek to maintain a performance-based work culture on values of development and collaboration. The key elements driving our practices include customer focus, process orientation, people focus, drive for results, business acumen and communication.

## MARKETING ARRANGEMENT

The Company's marketing arrangement is primarily relationship-oriented, supported by stringent supplier onboarding processes adopted by its customers and continuous engagement with its established customer base. A substantial portion of the Company's revenue is derived from repeat orders from its existing customers. The Company has developed long-standing relationships with such customers over the years, which is attributable to its consistent product quality, reliability in supply, adherence to agreed delivery timelines and responsiveness to customer requirements. These enduring relationships provide stability and visibility to the Company's revenues. The Company's customers typically follow a rigorous vendor evaluation and audit process prior to onboarding the Company as an approved supplier. Such evaluation generally includes assessment of the Company's manufacturing capabilities, quality control systems, certifications, production capacity, infrastructure, compliance with environmental and safety standards, and financial position. Customers may also conduct plant inspections, trial runs, sample testing and periodic audits to ensure that the Company meets their prescribed standards and specifications. The Company's successful qualification through such stringent processes reflects its operational credibility and technical capabilities.

The Company's marketing and sales activities are managed by its in-house team, which maintains regular interaction with customers to understand their specific requirements, including alloy composition, purity levels and delivery schedules. Orders are placed by customers based on their production requirements. The Company's established marketing arrangement, supported by its ability to meet stringent customer audit requirements and maintain long-term relationships, enables it to sustain demand for its products and strengthen its position in the aluminium recycling industry.

## COMPETITION

We operate in the aluminium recycling industry. The aluminium recycling industry in India is characterized by a high degree of fragmentation, with the presence of numerous organized and unorganized players engaged in the processing of aluminium scrap into ingots and alloys. We face competition from domestic as well as international participants in the secondary aluminium segment. A significant portion of the industry operates in the unorganized sector, which typically competes on pricing with relatively lower overheads and limited regulatory compliance requirements. In addition to secondary aluminium manufacturers, we also face indirect competition from primary aluminium producers, who manufacture aluminium ingots from bauxite. While primary aluminium producers generally operate at a larger scale with integrated operations, recycled aluminium products often provide cost advantages and lower energy consumption, enabling secondary manufacturers to remain competitive in price-sensitive markets. We seek to position ourselves as a quality-focused and cost-efficient manufacturer within the aluminium recycling industry. Our operations are supported by established raw material sourcing practices, process controls, and customer relationships, which enable us to compete effectively with other market participants. Our focus on consistent quality, operational efficiency, and adherence to environmental and regulatory standards allows us to cater to the requirements of organized sector customers and differentiate ourselves from unorganized players. Further, our emphasis on repeat business and customer engagement supports revenue visibility and business stability.

## INFORMATION SECURITY AND DISASTER RECOVERY

Information security is one of the key focus areas. We aim to protect data by firewalls, anti-virus software. Company is using reliable software like Busy provided for its accounting, human resources and other financial data management. It helps the company in managing real time stock detail and other operational functions like purchase, sales, customers, suppliers etc.

## INTELLECTUAL PROPERTY

Our Company has obtained registration and/or made applications for the registration of the following trademark with Trademark Registry, Government of India:

| S.No | Logo/Word | Class | Trademark Type | Trademark Application Number | Owner | Date of Application | Current Status |
|---|---|---|---|---|---|---|---|

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1. |  | 6 | Device | 7281496 | M/s. Auto Recycling Systems Private Limited | October 9, 2025 | Objected* |
| 2. | ARS Green | 6 | Word | 7933884 | M/s. Auto Recycling Systems Limited | August 17, 2026 | Ready for Examination* |

**Our Company has made applications to authority for updating the aforesaid certificates but is yet to receive the formal approval.*

## DOMAIN DETAILS

| Domain name | Registry Domain Id | Registrar Name, ID and Address | Creation Date | Registry Expiry date |
|---|---|---|---|---|
| https://arsgreen.com/ | 3075933085_DOMAIN_COM-VRSN | Name: GoDaddy.com, LLC<br>IANA Id: 146 | March 11, 2026 | March 11, 2029 |

## COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

As on date of this Draft Red Herring Prospectus, our Company has not entered into any technical or other Collaboration / Tie Ups / Joint Ventures.

## ENVIRONMENT, HEALTH & SAFETY

Our activities are subject to various environmental laws and regulations which govern, among other matters, the handling, storage and employee health and employee safety. For further information, see chapter titled ***"Key Industry Regulations"*** beginning on page 173.

We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations.

We have complied, and will continue to comply with all applicable environmental and associated laws, rules and regulations. For further information, see chapter titled ***"Government and Other Approvals"*** *beginning* on page 273.

## INDEBTEDNESS

The details of the indebtedness of the Company as on March 31, 2026 is provided below:

***(₹ in Lakhs)***

| Nature of Borrowings | March 31, 2026 |
|---|---|
| Secured Borrowings | 3,900.67 |
| Unsecured Borrowings | 522.81 |
| **Total** | **4,423.48** |

*For further details, please refer chapter titled* ***"Statement of Financial Indebtedness"*** *beginning on page no 247.*

## DETAILS OF PROPERTIES

### IMMOVABLE PROPERTIES

**Details of our immovable properties are as below:**

| Sr No. | Details of the Property | Licensor/Lessor/Vendor | Lessee/ acquirer | Consideration/ Lease Rental/ License Fees (in ₹) | Owned/ Leased/Rented | Area | Use |
|---|---|---|---|---|---|---|---|
| 1. | 14/A33, 3rd Floor, Channa Market Wea, Karol Bagh, Central Delhi-110005 | M/s. Sarthak International Limited | M/s. Auto Recycling Systems Private Limited | Rent of ₹ 7000/- per month | Rented | 750 sq ft | Registered Office |
| 2. | Khewat No. 315 Khata No. 335 Mustil/Khasra No. 57 Kila No. 5/2/1 (3-17) 6/2(7-03) 15/2/1(5-01) kita 3 and Khewat No. 354 Khata No. 380 Mustil/Khasra No. 57 Kila No. 5/1 (3-07) kita 1 | - | M/s. Auto Recycling Systems Private Limited | 4,01,06,650/- | Owned | 50,366.25 sq ft | Corporate Office and Manufacturing Unit |

## INSURANCE POLICIES

Except as mentioned below, our Company does not have any insurance policies as on date of this Draft Red Herring Prospectus.

| S. No. | Description | Risk Location | Policy Number | Issuing Company | Sum Assured (In ₹) | Premium (In ₹) | Date of Issue | Date of Expiry |
|---|---|---|---|---|---|---|---|---|
| 1. | Building Insurance- Policy | M/s. Auto Recycling Systems Private Limited,<br><br>Khewat No. 315 Khata No. 335 Mustil/Khasra No. 57 Kila No. 5/2/1 (3-17) 6/2(7-03) 15/2/1/2(5-01) Khewat No. 354 Khata No. 380 Mustil/Khasra No. 57 Kila No. 5/1 (3-07) - | 1017/392380204/00/000 | ICICI Lombard General Insurance Company Limited | 8,01,00,000/- | 1,16,257/- | May 13, 2026 | May 12, 2027 |

| S. No. | Description | Risk Location | Policy Number | Issuing Company | Sum Assured (In ₹) | Premium (In ₹) | Date of Issue | Date of Expiry |
|---|---|---|---|---|---|---|---|---|
| | | Situated At Village Baghola--Tehsil Palwal District Palwal,Near Jsw Steel Centre, Janauli Road, Palwal, Bhagola, Palwal, Haryana - 121102----121102---- Haryana--Faridabad | | | | | | |
| 2. | BMW – Vehicle Insurance Policy | M/s. Auto Recycling Systems Private Limited<br><br>Khasra No.57, Kila No 5/2/1, 6/2, 15/2/1/2 Baghola Janauli Road Palwal Sikri Industrial Area Haryana, Palwal, Haryana-121102 | OG-26-1149-1825-00013815 | Bajaj General Insurance Limited | 1,12,64,388/- | 2,05,000/- | January 31, 2026 | January 30, 2027 |
| 3. | Toyota Urban Cruiser – Vehicle Insurance Policy | M/s. Auto Recycling Systems Private Limited<br><br>Khasra No.57, Baghola Road, Opp. JSW MI Steel Centre, Janauli, Haryana, Palwal, Haryana-121102 | PBW/000000633550 | ICICI Lombard General Insurance Company Limited | 14,09,542/- | 18,076/- | March 29, 2026 | March 28, 2027 |

## KEY INDUSTRY REGULATIONS

*The following is a brief overview of certain key sector specific laws, regulations, and policies which are applicable to the business and operations undertaken by us. The information detailed below has been obtained from various legislations, including rules, regulations, guidelines, and circulars promulgated and issued by governmental and regulatory bodies that are available in the public domain. The statements below are based on the current provisions of such applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative, quasi-judicial or judicial decisions. The overview and description set out below is not exhaustive and is only intended to provide general information to the investors, and is neither designed, nor intended to be a substitute for professional legal advice.*

### APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled "***Government and Other Approvals***" beginning on page number 273 of this Draft Red Herring Prospectus.

### LAWS RELATED TO OUR BUSINESS

#### National Non-Ferrous Metal Scrap Recycling Framework, 2020

The Ministry of Mines, Government of India, released the National Non-Ferrous Metal Scrap Recycling Framework, 2020, as modified ("Non-Ferrous Metal Recycling Framework"), which aims to improve non-ferrous metal recycling by incorporating both product and processing stewardship. Promoting a formal and well-organised recycling ecosystem, adopting data-based analysis and policy making at all stages of the recycling chain, producing high-quality scrap for high-quality secondary production while reducing reliance on imports, attaining technological leadership in scientific methodology, improving the quality of scrap produced, and promoting the 6Rs principles of Reduce, Reuse, Recycle, Recover, Redesign, and Remanufacture through scientific handling, processing, and disposal of all kinds of non-ferrous scrap through authorised facilities.

The Non-Ferrous Metal Recycling Framework seeks to accomplish its objective of having a long-term sustainable non-ferrous metal recycling eco-system by, among other things, establishing an institutional mechanism for conducting studies and advancing research in the field of metal recycling, as well as by having the government support and encourage research and development in metal scrap recycling. In order to produce consistent, high-quality streams of recyclable material, it also seeks to establish designated metal recycling zones with facilities for the collection, segregation, dismantling, etc. of metal scrap and guarantee quality control by establishing minimum infrastructure requirements for recycling units with clear minimum standards and criteria for the processing of recyclables.

#### Vision Document on Aluminium Sector 2025

The Vision Document on Aluminium Sector, published by the Ministry of Mines, outlines a long-term plan for the sustainable growth of India's aluminium industry. It includes increased use of recycling and circular economy techniques, increased domestic aluminium capacity, and enhanced resource security. A strategy plan to increase aluminium production six - fold by 2047 is outlined in the aluminium Vision Document. Through specific policy changes, it seeks to increase raw material security, encourage the use of low-carbon technology, and double the country's rate of aluminium recycling. The Aluminium Vision Document lays the groundwork for an ecologically conscious and globally competitive aluminium sector.

#### Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodity Rules")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the license under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act. Any non-compliance or violation under the LM Act may result in inter alia being a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases. The Packaged Commodity Rules were framed under section 52(2) (j) and (q) of the Legal Metrology Act for the regulations for pre-packing and the sale of commodities in a packaged form, certain rules to be adhered to by wholesale and retail dealers, the declarations to be made on every package, the manner in which the declarations shall be made, etc. These declarations that are required to be made include, inter alia, the name and address of the manufacturer, the dimensions of the commodity and the weight and measure of the commodity in the manner as set forth in the Packaged Commodity Rules. The Packaged Commodity Rules were amended in March 2022 and came into into effect in October

2022. Some recent additions include the omission of sub rule 2 of Rule 33 and Schedule II of the Rules of 2011. Subsequently, another amendment was notified in October 2023 that came into force in January 2024. Among other additions, the amendment inserted a fourth proviso in rule 6, in sub-rule (1), in clause (d).

**Delhi Shops and Establishments Act, 1954**

The Delhi Shops and Establishments Act, 1954 regulates the working conditions of employees in shops, offices, and commercial establishments operating within Delhi. It governs essential aspects such as working hours, rest intervals, weekly holidays, overtime, leave entitlements, and termination procedures, while also mandating basic health, safety, and welfare measures at the workplace. Every establishment is required to register with the local labour authorities soon after commencing business and maintain prescribed records and notices. The Act applies broadly to all businesses engaged in trade, services, and professional activities in Delhi, and compliance is necessary to avoid penalties and ensure lawful and employee-friendly operations.

**The Bureau of Indian Standards Act, 2016**

Standardisation, conformity assessment as described in the BIS (Conformity Assessment) Regulations, 2018, and quality assurance of products, items, processes, systems, and services are all covered by the Bureau of Indian Standards Act, 2016 ("BIS Act"), as modified. The BIS Act outlines the bureau's duties, which include, among other things: (a) recognising as an Indian standard any standard created for any goods, article, process, system, or service by any other institution in India or abroad; (b) designating a standard mark to be known as the Bureau of Indian Standards Certification Mark; and (c) conducting any necessary inspections and collecting samples of any material or substance.

**The Micro, Small and Medium Enterprises Development Act, 2006 (the "MSME Act")**

The MSME Act was enacted with the objective of promoting the growth and development of micro, small, and medium enterprises and improving their competitiveness. Under the Act, any person intending to establish: (a) a micro or small enterprise, at their discretion; (b) a medium enterprise engaged in providing services, at their discretion; or (c) a medium enterprise engaged in the manufacture or production of goods relating to industries specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, is required to file a memorandum before the authority notified by the State or Central Government. The manner, form, and procedure for filing such memorandum are to be prescribed by the Central Government based on the recommendations of the advisory committee. Pursuant to this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises, through its notification dated September 18, 2015, mandated that every micro, small, and medium enterprise must file an Udyog Aadhaar Memorandum in the prescribed form and manner.

**The Haryana Fire Service Act, 2009**

The Haryana Fire Service Act, 2009, ("**Fire Service Act**") as amended from time to time, governs the establishment and maintenance of fire services in the State of Haryana and deals with all matters related and incidental thereto. Under the Fire Service Act, any person intending to construct a building for non-residential use, or a residential building exceeding 15 metres in height, is required to obtain approval of the fire-fighting scheme before commencing construction. The proposed scheme must comply with the National Building Code of India, the Disaster Management Act, 2005, the Factories Act, 1948 and the Punjab Factory Rules, 1952. Once the prescribed requirements under the Fire Service Act are satisfactorily fulfilled and the applicable fees are paid, the concerned authority issues a no-objection certificate. The competent authority is required to grant approval of the fire-fighting scheme within 60 days from the date of submission of the application.

**Central Electricity Authority Regulations, 2023**

In accordance with the terms of the Electricity Act, 2003, the Central Electricity Authority of India developed a set of technical standards and safety guidelines known as the Central Electricity Authority (CEA) Regulations, 2023. These rules are intended to guaranteeing the nationwide production, transmission, and distribution of electricity in a safe, dependable, and effective manner. The regulations are especially important because they improve infrastructure and worker safety by standardising and consolidating important procedures for electrical installations and systems. The Ministry of Power, Government of India, oversees the CEA as a statutory body. Its main responsibilities include creating technical standards, advising the government on policy issues, and keeping an eye on the power industry's performance.

**Static and Mobile Pressure Vessels (Unfired) Rules, 2016**

The Static and Mobile Pressure Vessels (Unfired) Rules, 2016 ("SMPV(U) Rules, 2016") govern the design, fabrication, testing, repair, storage, handling and transportation of unfired pressure vessels, including static and mobile tanks used for compressed and cryogenic gases. These rules are administered by the Petroleum and Explosives Safety Organisation ("PESO") under the Explosives Act, 1884. Any failure to comply with the requirements of these rules may lead to

regulatory action, including imposition of penalties or suspension or cancellation of the relevant licences or approvals.

**Foreign Trade Policy, 2023**

India's Foreign Trade Policy, 2023 ("**FTP**") governs import of metallic scrap, including aluminium scrap, primarily by classifying it as "free" or "restricted" and prescribing specific conditions and documentation where required. Import of metallic waste and scrap is generally permitted freely, except for certain hazardous or contaminated categories which are subject to restrictions and quality controls; customs and field formations have treated aluminium scrap within this framework, emphasising compliance with environment and safety norms.

**SEBI REGULATIONS**

The Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 are among the securities laws and regulations that apply to listed companies in India after the Equity Shares are listed and traded on the Stock Exchanges. A brief synopsis of these rules is provided below.

**Securities and Exchange Board of India Act, 1992**

SEBI is the main regulatory body in charge of India's securities markets, as established by the Securities and Exchange Board of India Act, 1992. It gives SEBI broad authority to control all aspects of the securities market, including trading, listing, and issuance. The Act gives SEBI the authority to use rules, guidelines, and circulars to protect investor interests, uphold market integrity, and promote market growth. Additionally, it gives SEBI the authority to look into possible infractions, apply financial and administrative penalties, and take enforcement action against market players who don't comply.

**Securities Contracts (Regulation) Act, 1956 ("SCRA")**

SEBI is the main regulatory body in charge of India's securities markets, as established by the Securities and Exchange Board of India Act, 1992. It gives SEBI broad authority to control all aspects of the securities market, including trading, listing, and issuance. The Act gives SEBI the authority to use rules, guidelines, and circulars to protect investor interests, uphold market integrity, and promote market growth. Additionally, it gives SEBI the authority to look into possible infractions, apply financial and administrative penalties, and take enforcement action against market players who don't comply.

**Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** ("**SEBI Listing Regulations**")

Companies having listed securities are subject to continuing compliance requirements outlined in the SEBI Listing Regulations. They provide guidelines for timely reporting of significant events, investor grievance procedures, corporate governance standards, and financial disclosures. Specific committee makeup, independent director qualifications, and related party transaction approvals are all mandated by the regulations. In order to guarantee compliance with regulatory standards, they mandate the recruitment of trained compliance officers and specify formats and deadlines for periodic submissions to exchanges.

**Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations")**

SEBI ICDR Regulations regulates the issuance of capital for companies raising funds through various channels including, inter alia, initial public offer, further public offer, rights issue and qualified institution placement. It lays out the rules and procedures that businesses must adhere to when issuing securities to the general public. When necessary, it describes the disclosure obligations for all relevant information, risks, and specifics regarding the financial status of the companies in question.

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations")**

Trading stocks while in possession of unpublished price-sensitive information is prohibited by the SEBI PIT Regulations. They set trading limitations for certain individuals, identify insider trading offences, and force promoters, directors, and key management personnel to disclose information. The rules mandate that businesses create codes of conduct, put insider trading procedures into place, and set up systems for locating and safeguarding UPSI. Additionally, they provide protocols for appropriate communications with stakeholders and recommend structured digital databases to monitor UPSI recipients.

## ENVIRONMENTAL LAWS

### The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various Central and State authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land and human beings and other living creatures such as plants, micro-organisms and property. Further, the Ministry of Environment and Forests, looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment which is assessed by the Ministry in detail before granting clearances for such proposed projects. Additionally, emission and noise standards applicable to diesel generator sets are prescribed under the rules framed pursuant to this Act, and to the extent the Company operates such equipment, it is required to comply with the applicable environmental norms.

### The Water (Prevention and Control of pollution) Act, 1974 (the "Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

### The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

### The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended ("Hazardous Wastes Rules") require every occupant of a facility that produces hazardous waste to handle such material safely within the facility. The relevant state pollution control board must grant permission to anybody involved in the production, processing, treatment, packing, storage, transportation, use, collection, destruction, conversion, offering for sale, and transfer of hazardous waste. When hazardous waste is handled and disposed of improperly, the facility's occupant, importer, and carrier are all responsible for any harm done to the environment or third party. The Hazardous Wastes Rules allow users and merchants who have received a one-time permit from the relevant state pollution control board to import aluminium without the Ministry of Environment, Forest, and Climate Change's consent.

### Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2025

A specific Extended Producer Responsibility (EPR) framework for non-ferrous metal scrap has been added by the Central Government to the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as announced in G.S.R. 438(E) dated July 1, 2025. These rules shall come into effect from April 01, 2026. Producers, manufacturers, importers, bulk buyers, dealers, collection agents, and recyclers who handle goods and scrap made of non-ferrous metals like aluminium, copper, zinc, and others above certain thresholds are all subject to these regulations, which mandate registration on a centralised CPCB EPR portal. In order to reach annual EPR targets, obligated businesses must make sure that environmentally. Supported non-ferrous metal scrap collection and recycling, mostly by purchasing EPR certifications produced by licensed recyclers, so establishing a direct connection between compliance and scrap recovery and processing. In accordance with the National Non-Ferrous Metal Scrap Recycling Framework, 2020, this regime is anticipated to formalise the scrap value chain and reinforce circular economy and resource-efficiency objectives. It will also increasingly regulate how imported and domestically sourced non-ferrous scrap is collected, traced, and recycled for businesses involved in aluminium scrap processing and secondary aluminium production.

## LAWS RELATED TO EMPLOYMENT

### The Code on Wages, 2019 (the "Wages Code")

The Wages Code received the assent of the President of India on August 8, 2019 and the provisions of the Code came into effect from November 21, 2025 after being notified in the Official Gazette by the Central Government. The Wages Code has replaced the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act,

1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Wages Code extends to the whole of India and regulates minimum wages, floor wages, payment of wages, permissible deductions, bonus and equal remuneration. It introduces a harmonised definition of "wages", prohibits discrimination on grounds of gender in matters of wages and recruitment for the same work or work of a similar nature, and confers a statutory right to minimum wages for all employees, supported by a national floor wage below which State minimum wages cannot fall. The Wages Code also provides for advisory boards, an Inspector-cum-Facilitator based compliance regime, maintenance of prescribed registers and issuance of wage slips, and offences and penalties for non-compliance.

**The Industrial Relations Code, 2020 (the "IR Code")**

The IR Code is a central legislation enacted to consolidate and amend the laws relating to trade unions, conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes; it received the assent of the President of India on September 28, 2020 and, pursuant to notifications issued by the Ministry of Labour and Employment, has been brought into force with effect from November 21, 2025 as part of the implementation of the four Labour Codes rationalising 29 existing central labour laws.

The IR Code consolidates and replaces three key enactments, namely (i) the Industrial Disputes Act, 1947, (ii) the Trade Unions Act, 1926, and (iii) the Industrial Employment (Standing Orders) Act, 1946. It extends to the whole of India and, among other matters, provides a unified framework for (i) registration, governance and recognition of trade unions, including recognition of a negotiating union or negotiating council in industrial establishments having multiple unions; (ii) constitution of bi-partite forums such as Works Committees and Grievance Redressal Committees in establishments above prescribed thresholds; (iii) certification, modification and deemed adoption of standing orders in industrial establishments employing 300 or more workers, aligned with central model standing orders; and (iv) mechanisms for conciliation, voluntary arbitration and adjudication of industrial disputes by Industrial Tribunals and the National Industrial Tribunal.

The IR Code also introduces provisions on fixed term employment with parity of wages and benefits vis-à-vis permanent workers and gratuity eligibility after one year, prescribes conditions and procedures for strikes and lock-outs, and revises the regime governing lay-off, retrenchment and closure in certain industrial establishments, including a higher statutory threshold (currently 300 workers, with power for States to increase this limit) for prior government approval for lay-off, retrenchment and closure, while defining "worker" and "employee" broadly to cover a wider segment of the workforce and prohibiting unfair labour practices.

**The Code on Social Security, 2020 (the "Social Security Code")**

The Social Security Code is a central legislation enacted to modernise and consolidate the laws relating to social security with the objective of extending social security coverage to employees and workers in the organised, unorganised, gig and platform sectors across India; it received the assent of the President of India on September 28, 2020 and, pursuant to a notification issued by the Ministry of Labour and Employment under Section 1(3), has been brought into force with effect from November 21, 2025 as part of the implementation of the four Labour Codes rationalising 29 existing central labour laws. 230 The Social Security Code consolidates and replaces nine central enactments, including the Employees' 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, the Payment of Gratuity Act, 1972, the Cine Workers Welfare Fund Act, 1981, the Building and Other Construction Workers Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. Among other matters, it provides the framework for social security schemes relating to provident fund, pension and deposit-linked insurance, employees' state insurance, maternity benefits, gratuity, employee compensation and welfare of building and other construction workers, as well as social security schemes for unorganised workers, gig workers and platform workers, and establishes or continues social security organisations such as the Central Board of Trustees of the Employees' Provident Fund, the Employees' State Insurance Corporation, the National and State Social Security Boards for unorganised workers and State Building and Other Construction Workers' Welfare Boards.

The Social Security Code also contemplates electronic registration of establishments, technology enabled record-keeping and benefit delivery, and empowers the Central and State Governments to extend the application of EPF, ESIC and other schemes to additional classes of establishments and workers. The Social Security Code and the rules and schemes framed thereunder, provides for to registration of eligible establishments, enrolment of employees under the Employees' Provident Fund and Employees' State Insurance schemes, payment of employer and employee contributions, provision of statutory gratuity, maternity and employee compensation benefits, facilitation of social security for eligible contract, unorganised, gig or platform workers engaged in its operations, and maintenance of prescribed records and returns, and any non-compliance may result in interest, penalties and other enforcement action.

**The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act")**

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of

complaints and for matters connected therewith or incidental thereto. The terms 'sexual harassment' and 'workplace' are both defined in the Act. Every employer should constitute an "Internal Complaints Committee" and every officer and member of the Committee shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

**The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 (the "OSHWC Code") is a central legislation enacted to consolidate and amend laws regulating occupational safety, health and working conditions of persons employed in establishments. The OSHWC Code received the assent of the President of India on September 28, 2020 and has been brought into force with effect from November 21, 2025, pursuant to a notification issued by the Ministry of Labour and Employment, as part of the implementation of the four Labour Codes rationalising 29 existing central labour laws.

The OSHWC Code subsumes and replaces 13 central enactments relating to safety, health and working conditions, including, inter alia, the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Mines Act, 1952, the Plantations Labour Act, 1951, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Motor Transport Workers Act, 1961, and the Beedi and Cigar Workers (Conditions of Employment) Act, 1966, subject to repeal and savings provisions preserving existing rules and notifications to the extent not inconsistent with the Code.

The OSHWC Code applies, inter alia, to establishments employing 10 or more workers, as well as to specified categories such as factories, building and other construction works, plantations, motor transport undertakings, audio-visual production units and newspaper establishments. It requires applicable establishments to obtain registration (including deemed migration of existing registrations), comply with prescribed occupational safety and health standards, and provide a safe working environment along with requisite welfare facilities.

Further, the OSHWC Code mandates issuance of letters of appointment to employees, conduct of periodic medical examinations (including free annual health check-ups for specified categories of employees), and reporting of accidents, dangerous occurrences and notified occupational diseases. It also contains provisions relating to working hours, leave and overtime, engagement and regulation of contract labour and inter-State migrant workers, and employment of women (including in night shifts, subject to consent and prescribed safeguards).

Additionally, the OSHWC Code provides for maintenance of prescribed registers, records and returns, and establishes an Inspector-cum-Facilitator framework along with advisory boards for enforcement and standard-setting.

**INTELLECTUAL PROPERTY LAWS**

**Trademarks Act, 1999 ("TM Act")**

The Trademarks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

**Patents Act 1970**

The Patents Act 1970, enacted in India, establishes a legal framework for patent protection, promoting innovation while balancing public interest. It allows inventors to secure exclusive rights to their inventions for a limited period, typically 20 years, provided they meet criteria such as novelty, inventive step, and industrial applicability. The Act prohibits product patents for certain categories, including food and pharmaceuticals, to ensure accessibility and affordability, particularly in healthcare. It also includes provisions for compulsory licensing, enabling the government to authorize third parties to produce patented products under specific conditions, thereby preventing monopolistic practices. The Act has undergone several amendments, notably in 2005 and 2002, to align with international treaties like TRIPS, enhancing the patent system's robustness and user-friendliness while safeguarding national interests.

**The Copyright Act, 1957**

The Copyright Act, 1957, along with the Copyright Rules, 2013 ("Copyright Laws") governs copyright protection in India. The Copyright Laws protect the legal rights of the creator of an 'original work' by preventing others from reproducing the

work in any other way. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions. Upon registration, the copyright protection for a work exists for a period of 60 years following, the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance, or exhibition in public, making a translation of the work, making an adaptation of the work, and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

**TAX RELATED LAWS**

**Income Tax Act 2025**

Income Tax Act 2025 gets President's assent; will be effective from 1st April 2026. The Income Tax Act, 2025, has been published in the Official Gazette after it received the President's assent. It has come into effect from 1st April 2026. The Act applies to all companies, whether domestic or foreign, whose income is taxable under its provisions, depending on their residential status and the nature of income. It provides for the taxation of residents on their global income and of non-residents on income that is received, accrued, or arises in India, or is deemed to do so.

**Goods and Service Tax (GST), 2017**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the centre and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017(UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made there under. It replaces following indirect taxes and duties at the central and state levels.

**OTHER INDIAN LAWS**

In addition to the above, we are also governed by various other applicable laws and regulations, including, including the Companies Act, 2013, the Competition Act, 2002, the Indian Contract Act, 1872, the Negotiable Instruments Act, 1881, the Registration Act, 1908, the Indian Stamp Act, 1899, The Customs Act, 1962, the Transfer of Property Act, 1882, and other central and state laws relating to taxation, import and export, foreign exchange, safety, and other laws applicable to our day-to-day business, operations and administration.

## HISTORY AND CORPORATE STRUCTURE

### COMPANY'S BACKGROUND

Our Company was incorporated as "Auto Recycling Systems Private Limited" as a private limited company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated December 24, 2020, issued by Assistant Registrar of Companies. Further, our Company was converted from a private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of our Company dated May 12, 2026 and consequently, the name of our Company was changed from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited" and a fresh certificate of incorporation dated June 16, 2026 was issued to our Company by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U27200DL2020PLC374942.

Our Company was incorporated by Sanjeev Malhotra, Sarthak Malhotra and Ranjana Malhotra, being subscriber to Memorandum of Association. Currently, Sanjeev Malhotra and Sarthak Malhotra are the promoters of our Company since its inception.

Our Company was incorporated as "Auto Recycling Systems Private Limited" as a private limited company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated December 24, 2020, issued by Assistant Registrar of Companies. Further, our Company was converted from a private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of our Company dated May 12, 2026 and consequently, the name of our Company was changed from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited" and a fresh certificate of incorporation dated June 16, 2026 was issued to our Company by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U27200DL2020PLC374942.

Our Company was incorporated by Mr. Sanjeev Malhotra, Mr. Sarthak Malhotra and Mrs. Ranjana Malhotra, being subscriber to Memorandum of Association. Currently, Mr. Sanjeev Malhotra and Mr. Sarthak Malhotra are the promoters of our Company.

Our Company is engaged in the business of manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material. In addition to our manufacturing operations, we are also involved in the trading of aluminium scrap and other non-ferrous scrap materials, as well as the scrap and wastage generated from our manufacturing process. We manufacture aluminium ingots in various grades, including standard and customized alloys such as ADC 12, ALSI12 Fe, and other customer-specific compositions. Our products are supplied to B2B customers operating in industries such as automotive, electrical, and engineering. Aluminium is widely used metal due to its lightweight, corrosion resistance, conductivity, and recyclability. The secondary aluminium industry, which involves recycling of aluminium scrap, plays a critical role in reducing energy consumption and promoting sustainability. Our operations carried out by our in-house manufacturing facility which is equipped with melting furnaces with controlled temperature systems, alloying and refining capabilities, in-house laboratory for chemical and physical testing, moulding and casting infrastructure, storage and handling facilities for raw material and finished goods. The facility is designed to handle various grades of aluminium scrap and produce ingots with consistent quality. Our Manufacturing unit is located at Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102, India, with an installed capacity of 15,200 MT for processing aluminium scrap. Our in house trained professionals undertake quality checks at various stages of manufacturing, including raw material inspection, in-process monitoring and final testing, to maintain consistency, reliability, compliance across our manufacturing process and to ensure conformity with customer specifications and applicable standards. Our Company has accreditations such as ISO 45001:2018 for occupational health and safety management system and ISO 14001:2015 for environmental management systems. We supply our products domestically in the state of Haryana, Rajasthan, Uttar Pradesh, Delhi, Uttrakhand, Gujarat, Tamilnadu, Karnataka, Punjab, Himachal Pradesh and Madhya Pradesh.

We attribute our growth in this industry under the able leadership and guidance of Mr. Sanjeev Malhotra (Promoter, Chairman and Managing Director) and Mr. Sarthak Malhotra (Promoter and Whole-Time Director) and a dedicated qualified team of professionals of the Company. Mr. Sanjeev Malhotra has an overall entrepreneurial experience of more than 9 years in the Metal trading, manufacturing and recycling Industry. Mr. Sanjeev Malhotra has played a key role in formulating policies, procedures and devising organizational development plans. His leadership skills, business understanding, expertise and significant experience are instrumental for the growth of our business. He is involved in developing and maintaining relationships with key industrial customers. Currently he overlooks Admin, HRM and Maintenance department of the Company. Mr. Sarthak Malhotra overlooks Accounts, Dispatch, Marketing, Production, Quality Sales and Storage department in the Company and has over 9 years of experience in the Metal trading, manufacturing and recycling Industry. For further details of our promoters and our management, please see chapters titled ***"Our Promoters and Promoters' Group"*** and ***"Our Management"*** on page no. 201 and 184 of this Draft Red Herring

Prospectus.

## REGISTERED OFFICE:

14/A33, IIIrd Floor, Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India. The Registered office of our Company has not been changed since incorporation.

## KEY AWARDS, CERTIFICATIONS, ACCREDITATIONS AND RECOGNITIONS

For Key Awards, Certifications, Accreditations please refer to the chapter titled ***"Business Overview"*** on Page no 147 of this Draft Red Herring Prospectus.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

### AUTHORIZED SHARE CAPITAL

The following changes have been made in the Authorized Share Capital of our Company since inception:

| Date of Amendment | Particulars |
|---|---|
| On Incorporation | Authorized Share Capital of ₹ 1.00 Lakh (Rupees One Lakh Only) consisting of 10,000 (Ten Thousand) Equity Shares of ₹ 10/-each. |
| January 4, 2021 | Increase in Authorized Share Capital from ₹ 1.00 Lakh (Rupees One Lakh Only) consisting of 10,000 (Ten thousand) Equity Shares of ₹ 10/-each to ₹ 600.00 Lakhs (Rupees Six Hundred Lakh Only) consisting of 60,00,000 (Sixty Lakh) Equity Shares of ₹ 10/-each. |
| February 7, 2023 | Increase in Authorized Share Capital from ₹ 600.00 Lakhs (Rupees Six Hundred Lakhs Only) consisting of 60,00,000 (Sixty Lakhs) Equity Shares of ₹ 10/-each to ₹ 800.00 Lakhs (Rupees Eight Hundred Lakh Only) consisting of 80,00,000 (Eighty Lakh) Equity Shares of ₹ 10/- each. |
| June 18, 2026 | Increase in Authorized Equity Share Capital from ₹ 800.00 Lakhs (Rupees Eight Hundred Lakh Only) consisting of 80,00,000 Equity Shares of ₹ 10/- each to ₹ 2300.00 Lakh (Rupees Twenty Three Hundred Lakh Only) consisting of 2,30,00,000 (Two Crore Thirty Lakh) Equity Shares of ₹ 10/- each. |

### NAME CLAUSE

The following changes have been made in Name Clause of our company since its inception:

| Date of Shareholder's Approval | Particulars |
|---|---|
| May 12, 2026 | The Company was converted from a private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of the Company held on May 12, 2026 and consequently, the name of Company was changed from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited", vide fresh certificate of incorporation dated June 16, 2026, issued by Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. |

### OBJECT CLAUSE

The following changes have been made in the Object Clause of our Company since its inception:

| Date of Shareholder's Approval | Particulars |
|---|---|
| December 24, 2020 | The Main Object to be pursued by the Company on its Incorporation:<br>1. To manufacture, produce, trade, recycle, deal in, distribute, import, export, sale, purchase all types of metals, ferrous & non ferrous metals, their alloys, all types of Metal scraps, metal by products, copper, Brass, zinc nickel, steel, aluminum, silver, alloys, cables, tubes, Rods, electrical conductors and insulated wires, machines and plants, and to do all kinds of business, and to carry on in India or elsewhere the business of mechanical engineers, iron masters and manufacturers, processors, fabricators, drawers, rollers, and re-roller of steel and non-ferrous metals, shaftings, bars, flats, squares, form scrap billets and ingots and to conduct melting of these materials to form finished alloys, ingots etc. |

| | |
|---|---|
| | 2. To Carry on the business of recycling, scrapping, collecting, dismantle and segregating End of Life Vehicles.<br>3. To recycle, manufacture, deal, import and export all kinds of ferrous and non ferrous metals, articles, alloys, scrap and their by-products.<br>4. To carry on the business, either individually or as joint venture with any other entity, whether in India, or outside India carrying on or engaged in the main business or transaction of the Company. |

## MAJOR EVENTS

Except mentioned herein below, there are no major events in the company since its incorporation:

| Year | Key Events/Milestone/Achievement |
|---|---|
| 2020 | Our Company was incorporated as a private limited company under the name *"Auto Recycling Systems Private Limited"* |
| 2026 | Conversion of our Company from Private Limited to Public Limited |

## OTHER DETAILS REGARDING OUR COMPANY

For information on our activities, services, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled ***"Business Overview"***, ***"Industry Overview"*** and ***"Management's Discussion and Analysis of Financial Conditions and Results of Operations"*** beginning on page no. 147, 106 and 251 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled ***"Our Management"*** and ***"Capital Structure"*** beginning on page nos. 184 and 62 respectively of this Draft Red Herring Prospectus.

## RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT

For details regarding our capital raising activities through equity or debt, please see the section entitled ***"Capital Structure"*** and ***"Restated Financial Statements"*** on page nos. 62 and 207 respectively of this Draft Red Herring Prospectus.

## DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/ BANKS AND CONVERSION OF LOANS INTO EQUITY

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

## HOLDINGS AND JOINT VENTURES OF THE COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have Holding Company or Joint Venture Company

## SUBSIDIARIES OF THE COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have any Subsidiary.

## INJUCTION AND RESTRAINING ORDER

Our company is not under any injunction or restraining order, as on date of filing of this Draft Red Herring Prospectus.

## MANAGERIAL COMPETENCE

For managerial competence, please refer to the chapter titled ***"Our Management"*** beginning on page no. 184 of this Draft Red Herring Prospectus.

## MATERIAL ACQUISITIONS/ AMALGAMATIONS/ MERGERS/ REVALUATION OF ASSETS/ DIVESTMENT OF BUSINESS/UNDERTAKING IN LAST TEN YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years expect as provided in this Draft Red Herring Prospectus.

## MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The Main Object of the Company

are as follows:

1. *To manufacture, produce, trade, recycle, deal in, distribute, import, export, sale, purchase all types of metals, ferrous & non ferrous metals, their alloys, all types of Metal scraps, metal by products, copper, Brass, zinc nickel, steel, aluminum, silver, alloys, cables, tubes, Rods, electrical conductors and insulated wires, machines and plants, and to do all kinds of business, and to carry on in India or elsewhere the business of mechanical engineers, iron masters and manufacturers, processors, fabricators, drawers, rollers, and re-roller of steel and non-ferrous metals, shaftings, bars, flats, squares, form scrap billets and ingots and to conduct melting of these materials to form finished alloys, ingots etc.*
2. *To Carry on the business of recycling, scrapping, collecting, dismantle and segregating End of Life Vehicles.*
3. *To recycle, manufacture, deal, import and export all kinds of ferrous and non ferrous metals, articles, alloys, scrap and their by-products.*
4. *To carry on the business, either individually or as joint venture with any other entity, whether in India, or outside India carrying on or engaged in the main business or transaction of the Company.*

## SHAREHOLDERS' AGREEMENTS

Our Company has not entered into any shareholder's agreement as on the date of filing this Draft Red Herring Prospectus.

## OTHER AGREEMENTS

As on the date of this Draft Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there is no material agreements entered as on the date of this Draft Red Herring Prospectus. Further, there are no arrangements, which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which are already disclosed in the Draft Red Herring Prospectus.

## JOINT VENTURE AGREEMENTS

Our Company has not entered into any Joint Venture Agreement as on the date of this Draft Red Herring Prospectus.

For more details, please see the chapter titled ***"Information with respect to Group Companies"*** beginning on page no. 278 of this Draft Red Herring Prospectus.

## COLLABORATION AGREEMENTS

Our Company has not entered into any collaboration agreement as on the date of this Draft Red Herring Prospectus.

## STRATEGIC PARTNERS

Our Company is not having any strategic partner as on the date of filing this Draft Red Herring Prospectus.

## FINANCIAL PARTNERS

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

## BOARD OF DIRECTOR

In accordance with Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 (three) and not more than 15(Fifteen). Our Company currently has 5 (Five) Directors on our Board, which includes 1 (One) Chairman and Managing Director, 1 (One) Whole Time Director, 1 (One) Non-Executive Director and 2 (Two) Independent Directors.

1. Sanjeev Malhotra - Chairman and Managing Director
2. Sarthak Malhotra - Whole-Time Director
3. Ranjana Malhotra - Non- Executive Director
4. Sunaina Prashant Ahuja - Independent Director
5. Ram Kumar Sharma - Independent Director

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

| Sr. No. | Details of Director | | Other Directorships/Designated Partner |
|---|---|---|---|
| 1. | **Name** | Sanjeev Malhotra | • Sripa & RD Ventures Private Limited<br>• Sarthak International Limited<br>• Indo Australian Enterprise Pty Ltd |
| | **DIN** | 00525447 | |
| | **Father's Name** | Ved Prakash Malhotra | |
| | **Address** | 64, Ground Floor, Hemkunt Colony, Greater Kailash S.O., Greater Kailash, South Delhi, Delhi-110048 | |
| | **Date of Birth** | September 22, 1957 | |
| | **Age** | 69 Years | |
| | **Designation** | Chairman & Managing Director | |
| | **Occupation** | Business | |
| | **Experience** | He is having an experience of more than 9 years in Metal trading, manufacturing & recycling Industry in addition to this he also has an experience of more than 20 years in Building Material Industry and Real Estate Industry. | |
| | **Qualifications** | He has completed Diploma in Business Management from Punjab Agriculture University and Diploma in Production Management from Punjabi University. He has also completed Second Semester in Bachelor of Textiles (Textile Technology) from Maharshi Dayanand University | |
| | **Nationality** | Indian | |
| | **Date of Appointment** | Initially he was appointed as a Chairman and Executive Director at the time of incorporation of the Company i.e. December 24, 2020.<br>Thereafter, pursuant to the approval of Board of Directors in the Board Meeting held on June 16, 2026 and approval of members in the Extraordinary General Meeting held on June 18, 2026, his designation was changed from Chairman and Executive Director to Chairman and Managing Director with effect from June 18, 2026. | |
| | **Term of Appointment and date of expiration of** | He holds office for a period of 5 (Five) years from June 18, 2026 to June 16, 2031 and is liable to retire by rotation. | |

| Sr. No. | Details of Director | | Other Directorships/Designated Partner |
|---|---|---|---|
| | **current term of office.** | | |
| 2. | **Name** | Sarthak Malhotra | • Sripa & RD Ventures Private Limited<br>• Sarthak International Limited<br>• Auto Recycling Services LLP |
| | **DIN** | 03558441 | |
| | **Father's Name** | Sanjeev Malhotra | |
| | **Address** | 64 Ground Floor, Hemkunt Colony, Greater Kailash Part-1, Greater Kailash, South Delhi, Delhi-110048. | |
| | **Date of Birth** | July 24, 1991 | |
| | **Age** | 35 Years | |
| | **Designation** | Whole-Time Director | |
| | **Occupation** | Business | |
| | **Experience** | He is having an experience of more than 9 years in the Metal trading, manufacturing and recycling Industry. | |
| | **Qualifications** | He has completed Bachelor of Science in Accounting and Finance from University of Bradford and Master of Banking and Finance from Monash University. | |
| | **Nationality** | Indian | |
| | **Date of Appointment** | Initially he was appointed as an Executive Director at the time of incorporation of the Company i.e. December 24, 2020.<br>Subsequently, pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026 he was re-designated as a Whole-time Director, with effect from June 18, 2026. | |
| | **Term of Appointment and date of expiration of current term of office.** | He holds office for a period of 5 [Five] years from June 18, 2026 to June 16, 2031 and is liable to retire by rotation. | |
| 3. | **Name** | Ranjana Malhotra | • Sarthak International Limited |
| | **DIN** | 01404075 | |
| | **Fathers' Name** | Sain Dass Kapur | |
| | **Address** | 64 Ground Floor, Hemkunt Colony, Greater Kailash, Greater Kailash, South Delhi-110048 | |
| | **Date of Birth** | May 3, 1964 | |
| | **Age** | 62 Years | |
| | **Designation** | Non-Executive Director | |
| | **Occupation** | Business | |
| | **Experience** | No Experience on record. | |
| | **Qualifications** | She holds degree of Bachelor of Science and degree of Master of Arts from Guru Nanak Dev University. | |
| | **Nationality** | Indian | |
| | **Date of Appointment** | Pursuant to approval of Board of Directors in their meeting held on January 30, 2026 and subject to approval of members in the General meeting, she was appointed as | |

| Sr. No. | Details of Director | | Other Directorships/Designated Partner |
|---|---|---|---|
| | | Additional Non-Executive Director with effect from January 30, 2026.<br><br>Further, pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026, she was appointed and re-designated as Non-Executive Director with effect from June 18, 2026. | |
| | **Term of Appointment and date of expiration of current term of office.** | She holds office with effect from January 30, 2026 and is liable to retire by rotation. | |
| 4. | **Name** | Sunaina Prashant Ahuja | - |
| | **DIN** | 11654971 | |
| | **Fathers' Name** | Dev Datt Jagannath Uppal | |
| | **Address** | 4028, First Floor, Aradhya Homes Ansal Versalia Sector, 67A Gurgaon, Badshahpur, Gurgaon, Haryana-122101 | |
| | **Date of Birth** | March 31, 1964 | |
| | **Age** | 62 Years | |
| | **Designation** | Non-Executive Independent Director | |
| | **Occupation** | Business | |
| | **Experience** | She has an experience of 3 years in textile industry. | |
| | **Qualifications** | She has completed Diploma in Business Management from Guru Nanak Dev University. | |
| | **Nationality** | Indian | |
| | **Date of Appointment** | Pursuant to approval of Board of Directors in their meeting held on June 16, 2026 and approval of members in the General meeting, she was appointed as Additional (Non-Executive Independent) Director with effect from June 18, 2026.<br><br>Further, pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026, she was appointed and re-designated as Non-Executive Independent Director with effect from June 18, 2026. | |
| | **Term of Appointment and date of expiration of current term of office.** | She holds office for a period of 5 (Five) years with effect from June 18, 2026 and is not liable to retire by rotation. | |
| 5. | **Name** | Ram Kumar Sharma | • Geo Clothing Private Limited<br>• Wishcoin Digitex Private Limited |
| | **DIN** | 00862599 | |
| | **Fathers' Name** | Sadhu Ram Sharma | |
| | **Address** | B-15/6, 1st Floor, DLF Phase- 1, Sikanderpur Ghosi (68), DIF Qe. Farrukhnagar, Gurgaon, Haryana-122002 | |
| | **Date of Birth** | May 26, 1956 | |

| Sr. No. | Details of Director | | Other Directorships/Designated Partner |
|---|---|---|---|
| | **Age** | 70 years | |
| | **Designation** | Non-Executive Independent Director | |
| | **Occupation** | Professional | |
| | **Experience** | He has an experience of more than 30 years in textile industry. | |
| | **Qualifications** | He holds degree of Bachelors of Textiles (Technology) from Maharshi Dayanand University. | |
| | **Nationality** | Indian | |
| | **Date of Appointment** | Pursuant to approval of Board of Directors in their meeting held on June 16, 2026 and subject to approval of members in the General meeting, he was appointed as a Additonal (Non-Executive Independent) Director with effect from June 18, 2026.<br><br>Further, pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026, he was re-designated and appointed as Non-Executive Independent Director with effect from June 18, 2026. | |
| | **Term of Appointment and date of expiration of current term of office.** | He holds office for a period of 5 (Five) years with effect from June 18, 2026 and is not liable to retire by rotation. | |

## BRIEF PROFILE OF OUR DIRECTORS

**Sanjeev Malhotra**

Sanjeev Malhotra, aged 69 years, Chairman and Managing Director of our Company. He has completed Diploma in Business Management from Punjab Agriculture University and Diploma in Production Management from Punjabi University. He has also completed Second Semester in Bachelor of Textiles (Textile Technology) from Maharshi Dayanand University. He is having an experience of more than 9 years in Metal trading, manufacturing & recycling Industry in addition to this he also has an experience of more than 20 years in Buliding material industry and Real estate industry. He overlooks Admin, HRM and Maintenance department of the Company.

**Sarthak Malhotra**

Sarthak Malhotra, aged 35 years, is Whole-Time Director of our Company. He has completed Bachelor of Science in Accounting and Finance from University of Bradford and Master of Banking and Finance from Monash University. He is having an experience of more than 9 years in the Metal trading, manufacturing and recycling Industry. He overlooks Accounts, Dispatch, Marketing, Production, Sales, Quality and Storage department of the Company.

**Ranjana Malhotra**

Ranjana Malhotra, aged 62 years is a Non-Executive Director of our Company. She holds degree of Bachelor of Science and degree of Master of Arts from Guru Nanak Dev University.

**Sunaina Prashant Ahuja**

Sunaina Prashant Ahuja, aged 62 years is a Non-Executive Independent Director of our Company. She has completed Diploma in Business Management from Guru Nanak Dev University. She has an experience of 3 years in textile industry.

**Ram Kumar Sharma**

Ram Kumar Sharma, aged 70 years is a Non-Executive Independent Director of our Company. He holds a degree of Bachelors of Textiles (Technology) from Maharshi Dayanand University. He has an experience of more than 30 years in textile industry.

## CONFIRMATIONS

As on the date of the Draft Red Herring Prospectus:

A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.

B. None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.

C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Red Herring Prospectus.

E. None of Promoters or Directors of our Company are a fugitive economic offender.

F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.

## RELATIONSHIP BETWEEN OUR DIRECTORS, KEY MANAGERIAL PERSONNEL OR SENIOR MANAGEMENT

Except mentioned below, none of the Directors and Key Managerial Personnel of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

| Sr. No. | Name of Director | Designation | Relation |
|---|---|---|---|
| 1. | Sanjeev Malhotra | Managing Director | He is husband of Ranjana Malhotra who is Non-Executive Director of our Company. |
| 2. | Sanjeev Malhotra | Managing Director | He is father of Sarthak Malhotra who is Whole-Time Director of our Company. |
| 3. | Sarthak Malhotra | Whole-time Director | He is son of Sanjeev Malhotra who is Managing Director and Ranjana Malhotra who is Non- Executive Director of our Company. |

## ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above-mentioned Directors was selected as director or member of senior management.

## SERVICE CONTRACTS WITH DIRECTORS

Our Company has not entered into any service contracts with our Directors, which provide for benefits upon the termination of their employment.

## DETAILS OF BORROWING POWERS OF THE BOARD OF DIRECTORS

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on June 18, 2026 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 500 Crores.

## COMPENSATION AND BENEFITS TO THE MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR IS AS FOLLOWS: -

**Remuneration to Chairman and Managing Director:**

| Name | Sanjeev Malhotra |
|---|---|
| Designation | Chairman and Managing Director |
| Date of Appointment/ Change in Designation | Initially he was appointed as a Chairman and Executive Director at the time of incorporation of the Company i.e. December 24, 2020. Thereafter, pursuant to the approval of Board of Directors in the Board Meeting held on June 16, 2026 and approval of members in the Extraordinary General Meeting held on June 18, 2026, his designation was changed from Chairman and Executive Director to Chairman and Managing Director with effect from June 18, 2026. |
| Period | 5 (Five) years from June 18, 2026 to June 16, 2031. |
| Salary | ₹ 12.00 lakhs |
| Bonus | |
| Perquisite/Benefits | |
| Commission | |
| Compensation/ remuneration paid during the F.Y. 2025-26 | Nil |

**Remuneration to Whole-Time Director:**

| Name | Sarthak Malhotra |
|---|---|
| Designation | Whole-Time Director |
| Date of Appointment/ Change in Designation | Initially he was appointed as an Executive Director at the time of incorporation of the Company i.e. December 24, 2020. Subsequently, pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026 he was re-designated as a Whole-time Director, with effect from June 18, 2026. |
| Period | 5 [Five] years from June 18, 2026 to June 16, 2031. |
| Salary | ₹ 36.00 lakhs |
| Bonus | |
| Perquisite/Benefits | |
| Commission | |
| Compensation/ remuneration paid during the F.Y. 2025-26 | ₹ 18.00 Lakhs |

## BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS

Currently, Our Company does not have any bonus or profit-sharing plan for our Directors.

## CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR DIRECTORS

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to our Directors which does not form a part of their remuneration.

## REMUNERATION PAID OR PAYABLE TO OUR DIRECTORS BY OUR SUBSIDIARY OR ASSOCIATE COMPANY

As on the date of this Draft Red Herring Prospectus, no remuneration is paid or payable to our directors by our subsidiary or associate Company.

## SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

Pursuant to resolution passed by our Board of Directors in their meeting held on June 16, 2026, our Non-Executive and Independent Directors are entitled to receive sitting fees of ₹ 5000 for every meeting of the Board of Directors/Committee Meeting attended by them.

## SHAREHOLDING OF DIRECTORS

The shareholding of our directors as on the date of this Draft Red Herring Prospectus are as follows:

| Sr. No. | Name of Directors | No. of Equity Shares held | % of Pre-Issue Capital | Designation |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | 1,52,46,200 | 95.29 | Chairman & Managing Director |
| 2. | Sarthak Malhotra | 7,52,100 | 4.70 | Whole-Time Director |
| 3. | Ranjana Malhotra | 900 | 0.01 | Non-Executive Director |
| 4. | Sunaina Prashant Ahuja | Nil | Nil | Independent Director |
| 5. | Ram Kumar Sharma | Nil | Nil | Independent Director |
| | | **1,59,99,200** | **100.00** | |

## INTEREST OF DIRECTORS

All the Executive directors of our Company may be deemed to be interested to the extent of fees, payable to them for attending meetings of the Board or Committee if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

Our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and committees thereof, the re-imbursement of expenses payable to them, as approved by our Board.

Our Directors may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of such shareholding in our Company. For details regarding the shareholding of our Directors in our Company, please see ***"Capital Structure"*** and ***"Our Management"*** beginning on page 62 and 184 respectively.

Our Directors may be deemed to be interested in the contracts, transactions, 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. For further details, please see ***"Note 34 – Related Party Transactions"*** in the chapter titled ***"Restated Financial Statement"*** beginning on page 207 and **"Our Promoter and Promoter Group"** beginning on page 201.

Executive Director is interested to the extent of remuneration paid to them for services rendered to the company.

Except as stated under ***"Note 34 - Related Party Transactions"*** under Chapter titled ***"Restated Financial Statement"*** beginning on page 207 of the Draft Red Herring Prospectus, our company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which our directors are interested directly or indirectly.

**Interest of our Directors in the promotion/formation of our Company**

Except for Sanjeev Malhotra, Sarthak Malhotra and Ranjana Malhotra, none of our Directors were involved in the promotion and formation of our Company.

**Interest as Creditor of our Company**

Except as stated under ***"Note 34 - Related Party Transactions"*** under Chapter titled ***"Restated Financial Statement"*** beginning on page 207 of the Draft Red Herring Prospectus, our Company has not availed loans from Directors of our Company as on the date of this Draft Red Herring Prospectus.

**Interest of our Directors in property**

Except as stated under ***"Details of properties"*** under Chapter titled ***"Business Overview"*** beginning on page 147 of the Draft Red Herring Prospectus, none of our Directors are interested in any property acquired or proposed to be acquired of our Company.

**Other interest**

No sum has been paid or agreed to be paid to our Directors or to any firms or companies in which they may be partners or members respectively, 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.

Except mentioned below, none of our directors have been associated with any company that has been struck-off by the registrar of companies or the Ministry of Corporate Affairs.

| Name of the Director | Designation | Name of the companies |
|---|---|---|
| Sanjeev Malhotra | Chairman & Managing Director | Gullu Exports Private Limited |
| | | Prerna Overseas Private Limited |
| Ranjana Malhotra | Non-Executive Director | Prerna Overseas Private Limited |

## CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

| Name of Director | Date of Event | Nature of Event | Reason for the changes in the Board of Director |
|---|---|---|---|
| Sanjeev Malhotra | June 18, 2026 | Change in Designation | Pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026, he was re-designated as Chairman and Managing Director with effect from June 18, 2026 for a period of 5 (Five) years. |
| Sarthak Malhotra | June 18, 2026 | Change in Designation | Pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026 he was re-designated as a Whole-time Director, with effect from June 18, 2026 for a period of 5 (Five) years. |
| Ranjana Malhotra | June 18, 2026 | Change in Designation | Pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026 she was re-designated and appointed as Non-Executive Director with effect from June 18, 2026. |
| Sunaina Prashant Ahuja | June 18, 2026 | Change in Designation | Further, pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026, she was re-designated and appointed as Non-Executive Independent Director with effect from June 18, 2026. |
| Ram Kumar Sharma | June 18, 2026 | Change in Designation | Further, pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026, he was re-designated and appointed as Non-Executive Independent Director with effect from June 18, 2026. |
| Sunaina Prashant Ahuja | June 16, 2026 | Appointment | Pursuant to approval of Board of Directors in their meeting held on June 16, 2026 and subject to approval of members in the General meeting, she was appointed as Additional (Non-Executive Independent) Director with effect from June 18, 2026. |
| Ram Kumar Sharma | June 16, 2026 | Appointment | Pursuant to approval of Board of Directors in their meeting held on June 16, 2026 and subject to approval of members in the General meeting, he was appointed as Additional (Non-Executive Independent) Director with effect from June 18, 2026. |

| Name of Director | Date of Event | Nature of Event | Reason for the changes in the Board of Director |
|---|---|---|---|
| Ranjana Malhotra | January 30, 2026 | Appointment | Pursuant to approval of Board of Directors in their meeting held on January 30, 2026 and subject to approval of members in the General meeting, she was appointed as Additional Non-Executive Director with effect from January 30, 2026 |

## CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavours to comply with the good Corporate Governance and accordingly certain exempted regulations have been compiled by our Company.

Pursuant to Companies Act, 2013, our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

**Composition of Board of Directors**

Currently our Board consists of 5 (Five) Directors, which includes 1 (One) Chairman and Managing Director, 1 (One) Whole-Time Director, 1 (One) Non-Executive Director and 2 (Two) Independent Directors.

Composition of Board of Directors is set forth in the below mentioned table:

| Sr. No. | Name of Directors | Designation | Status | DIN |
|---|---|---|---|---|
| 1. | Sanjeev Malhotra | Chairman and Managing Director | Executive | 00525447 |
| 2. | Sarthak Malhotra | Whole-Time Director | Executive | 03558441 |
| 3. | Ranjana Malhotra | Non-Executive Director | Non-Executive | 01404075 |
| 4. | Sunaina Prashant Ahuja | Independent Director | Non-Executive | 11654971 |
| 5. | Ram Kumar Sharma | Independent Director | Non-Executive | 00862599 |

**Constitution of Committees**

Our company has constituted the following Committees of the Board;

1. **Audit Committee**
2. **Stakeholders Relationship Committee**
3. **Nomination and Remuneration Committee**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder:

**1. Audit Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on July 4, 2026, constituted Audit Committee.

The constitution of the Audit Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|---|---|---|
| Ram Kumar Sharma | Chairman | Non-Executive Independent Director |
| Sunaina Prashant Ahuja | Member | Non-Executive Independent Director |
| Ranjana Malhotra | Member | Non-Executive Director |

**Terms of Reference**

The Role of Audit Committee not limited to but includes:

1. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
2. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
3. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors 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;

g. Qualifications in the draft audit report.

4. Approval or any subsequent modification of transactions of the Company with related parties;

   Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered in to by the Company subject to such conditions provided under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof; Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;

   Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee,

5. Reviewing, with the management, and monitoring 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/Draft Red Herring Prospectus/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;
6. Scrutiny of Inter-corporate loans and investments;
7. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the histed entity and its shareholders;
8. Reviewing and discussing 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;
9. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
10. Valuation of undertakings or assets of the company, where ever it is necessary;

11. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
12. 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 and discussion with internal auditors any significant findings and follow up there on.
13. 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;
14. approval of payment to statutory auditors for any other services rendered by the statutory auditors,
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
16. Approval of Appointment of CFO (i.e. -the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
17. Carrying out any other function as assigned by the Board of Directors & other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

**Review of Information**

i. Management discussion and analysis of financial condition and results of operations;
ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
iii. Internal audit reports relating to internal control weaknesses; and
iv. The appointment, removal and terms of remuneration of the Internal Auditor.

**Powers of Committee**

i. To investigate any activity within its terms of reference;
ii. To seek information from any employee;
iii. To obtain outside legal or other professional advice; and
iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Quorum**

The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall be present at the Meeting.

The Company Secretary shall act as Secretary to the Committee.

**2. Stakeholders Relationship Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on July 4, 2026, constituted Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|---|---|---|
| Ranjana Malhotra | Chairman | Non-Executive Director |
| Sunaina Prashant Ahuja | Member | Non-Executive Independent Director |
| Ram Kumar Sharma | Member | Non-Executive Independent Director |

**Terms of Reference**

Redressal of shareholder's and investors' complaints, including and in respect of:

i. Resolving the grievances of the security holders of the company 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;

ii. Review of measures taken for effective exercise of voting rights by shareholders;

iii. 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;

iv. 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;

v. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

**Quorum and Meetings**

The Stakeholders Relationship Committee shall meet atleast once in a year. The quorum shall be one third of total members of the Stakeholders Relationship Committee or 2 members, whichever is higher.

The Company Secretary shall act as Secretary to the Committee.

**3. Nomination and Remuneration Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on July 4, 2026, constituted Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|---|---|---|
| Ram Kumar Sharma | Chairman | Non-Executive Independent Director |
| Sunaina Prashant Ahuja | Member | Non-Executive Independent Director |
| Ranjana Malohtra | Member | Non-Executive Director |

**Terms of reference**

**Role of Nomination and Remuneration Committee shall include but not limited to: -**

i. 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;

ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director The person recommended to the Board for appointment an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- Consider the time commitments of the candidates.

iii. Formulation of criteria for evaluation of Independent Directors and the Board;

iv. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

v. 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 of Directors their appointment and removal and shall carry out evaluation of every director‘s performance;

vi. recommend to the board, all remuneration, in whatever form, payable to senior management;

vii. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

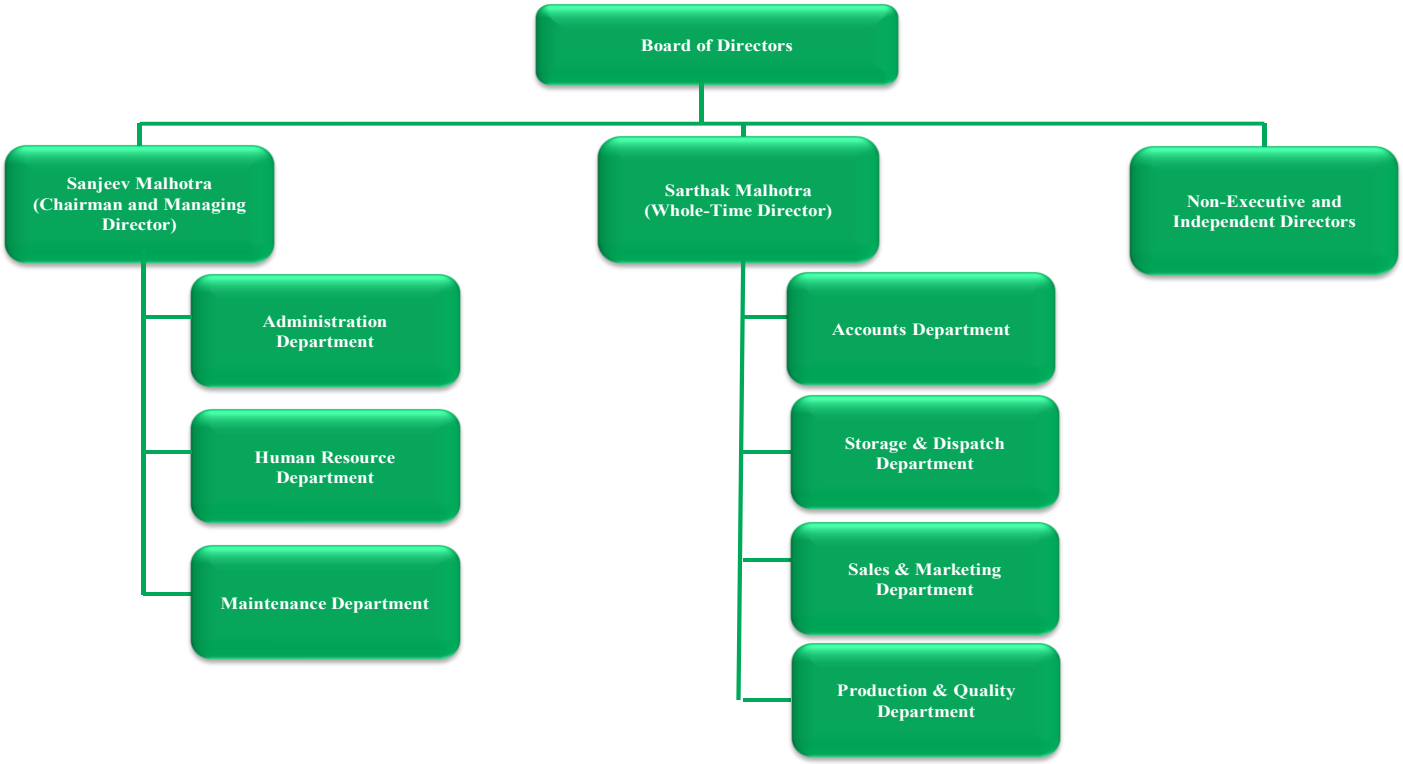
**Quorum and Meetings**

The Committee is required to meet at least once in a year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

The Company Secretary shall act as Secretary to the Committee.

## MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company is depicted from the following chart:



## OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

In addition to Sanjeev Malhotra, Chairman and Managing Director, whose details are provided under the section titled ***"Brief Profile of our Directors"*** in the chapter titled ***"Our Management"*** beginning on page 184 the details of our other Key Managerial Personnel is as follows:

| Name, Designation and Date of Joining | | Qualification | Previous Employment | Remuneration paid in F.Y. 2025-26 (₹ in Lakhs) |
|---|---|---|---|---|
| **Name** | Meenakshi Gupta | She has completed Part III of Bachelor of Commerce (B.Com.) from Maharshi Dayanand University from Rohtak. She is also a member of the Institute of Chartered Accountants of India. | Competent Software Private Limited | 2.99 |
| **Designation** | Chief Financial Officer | | | |
| **Date of Appointment** | April 10, 2026 | | | |
| **Overall Experience** | She is having an experience of 14 years in the field of Accounts and Finance. | | | |
| | | | | |
| **Name** | Jyoti Bala Soni | She has completed Bachelors of Commerce and Master in Commerce (Business Administration) from Mohan Lal Sukhadia University, Udaipur. She holds a degree of Company Secretary from The Institute of Company Secretaries of India | Justo Realfintech Limited | Nil |
| **Designation** | Company Secretary & Compliance Officer | | | |
| **Date of Appointment** | April 10, 2026 | | | |
| **Overall Experience** | She is having an experience of more than 3 years in the secretarial and compliance matters. | | | |

## SENIOR MANAGEMENT PERSONNEL IN OUR COMPANY

The details of our Senior Management Personnel is as follows:

| Name, Designation and Date of Joining | | Qualification | Previous Employment | Remuneration paid in F.Y. 2025-26 (₹ in Lakhs) |
|---|---|---|---|---|
| **Name** | Anubhav Sharma | He holds a degree of Bachelor of Engineering (Computer Science and Engineering) from Rajiv Gandhi Proudyogiki Vishwavidyalaya, Bhopal | H I Metal Industries | 6.82 |
| **Designation** | Marketing Head | | | |
| **Date of Appointment** | June 20, 2023 | | | |
| **Overall Experience** | He has more than 15 years of experience in Productions and Operations. | | | |

## CHANGES IN THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS DRAFT RED HERRING PROSPECTUS

Except as mentioned below, there are no other changes in the Key Managerial Personnel and Senior Management Personnel in the last three years preceding the date of filing this Draft Red Herring Prospectus:

| Name of Key Managerial Personnel/ Senior Managerial Personnel | Date of Event | Nature of Event | Reason for the changes |
|---|---|---|---|
| Jyoti Bala Soni | April 10, 2026 | Appointment | Appointed as a Company Secretary & Compliance Officer of the Company with effect from April 10, 2026. |
| Meenakshi Gupta | April 10, 2026 | Appointment | Appointed as a Chief Financial Officer of the Company with effect from April 10, 2026. |
| Anubhav Sharma | June 20, 2023 | Appointment | Appointed as a Marketing head of the Company with effect from June 20, 2023. |

## BONUS OR PROFIT-SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Currently, our Company does not have any bonus or profit-sharing plan for our Key Managerial personnel and Senior Management.

## PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

No amount or benefit (non-salary related) was paid or given to our Key Managerial Personnel and Senior Management, within the two (2) preceding years or is intended to be paid or given to our Key Managerial Personnel and Senior Management, other than in the ordinary course of employment.

## STATUS OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

All the Key Managerial Personnel and Senior Management mentioned above are on the payrolls of our Company as permanent employees.

## ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel have been recruited.

## SERVICE CONTRACTS WITH OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Our Key Managerial Personnel and Senior Management are governed by the terms of their respective employment letters / resolutions of our Board on their terms of appointment. None of our Key Managerial Personnel and Senior Management have entered into a service contract with our Company, entitling them to any benefits upon termination of employment.

## RETIREMENT AND TERMINATION BENEFIT

Except for applicable statutory benefits, none of our Key Managerial Personnel and Senior Management would receive any benefits on their retirement or on termination of their employment with our Company

## CONTINGENT AND DEFERRED COMPENSATION PAID OR PAYABLE TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management that does not form part of their remuneration.

## ATTRITION OF KEY MANAGERIAL PERSONAL VIS-À-VIS INDUSTRY

The rate of attrition of our Key Managerial Personnel and Senior Management is not high in comparison to the industry in which we operate.

## EMPLOYEE STOCK OPTION SCHEME

As on the date of filing of Draft Red Herring Prospectus, our company does not have any ESOP Scheme for its employees.

## INTEREST OF OUR KEY MANAGERIAL PERSONS AND SENIOR MANAGEMENT

Our Key Managerial Personnel and Senior Management do not have any interest in our Company other than (i) as stated in **"*Note 34 – Related Party Transations*"** in the chapter titled ***"Restated Financial Statement"*** beginning on page 207,

respectively; or (ii) to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of dividend payable to them and other distributions in respect of Equity Shares held by them in our Company.

## LOANS GIVEN/AVAILED BY DIRECTORS/ KEY MANAGERIAL PERSONNEL OF OUR COMPANY

For details of unsecured loan taken from or given to our Directors/KMPs/SMPs and for details of transaction entered by them in the past see "***Note 34 – Related Party Transactions***" in the chapter titled ***"Restated Financial Statement"*** *beginning* on page 207.

## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Except as disclosed below, none of the Key Managerial Personnel and Senior Management hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

| Sr. No. | Name of Key Management Personnel/ Senior Management | No. Equity Shares held | Category/ Status |
|---|---|---|---|
| 1. | Sanjeev Malhotra | 1,52,46,200 | Chairman and Managing Director |
| 2. | Sarthak Malhotra | 7,52,100 | Whole-Time Director |

## OUR PROMOTERS AND PROMOTERS GROUP

**Promoters of Our Company are:**

1. Sanjeev Malhotra
2. Sarthak Malhotra

For details of the Capital build-up of our Promoters in our Company, see chapter titled ***"Capital Structure"*** beginning on page no. 62 of this Draft Red Herring Prospectus.

The details of our Promoters are as follows:

### INDIVIDUAL PROMOTERS



| | |
|---|---|
| | **SANJEEV MALHOTRA**<br><br>Sanjeev Malhotra, aged 69 years, Chairman and Managing Director of our Company. He has completed Diploma in Business Management from Punjab Agriculture University and Diploma in Production Management from Punjabi University. He has also completed Second Semester in Bachelor of Textiles (Textile Technology) from Maharshi Dayanand University. He is having an experience of more than 9 years in Metal trading, manufacturing & recycling Industry in addition to this he also has an experience of more than 20 years in Building material industry and Real estate industry. He overlooks Admininstration, Human Resource and Maintenance department of the Company. |
| **Date of Birth** | September 22, 1957 |
| **PAN** | ABDPM9549C |
| **Present Residential Address** | 64 Ground Floor, Hemkunt Colony, Greater Kailash S.O., Greater Kailash, South Delhi, Delhi-110048. |
| **Position/posts held in the past** | Initially he was appointed as a Chairman and Executive Director at the time of incorporation of the Company i.e. December 24, 2020.<br><br>Thereafter, pursuant to the approval of Board of Directors in the Board Meeting held on June 16, 2026 and approval of members in the Extraordinary General Meeting held on June 18, 2026, his designation was changed from Chairman and Executive Director to Chairman and Managing Director with effect from June 18, 2026. |
| **Directorship/ Designated Partnership held** | 1. Sripa & RD Ventures Private Limited<br>2. Sarthak International Limited<br>3. Indo Australian Enterprise Pty Ltd |
| **Other Ventures** | Nil |

| | |
|---|---|
|  | **SARTHAK MALHOTRA**<br>Sarthak Malhotra, aged 35 years, is Whole-Time Director of our Company. He has completed Bachelor of Science in Accounting and Finance from University of Bradford and Master of Banking and Finance from Monash University. He is having an experience of more than 9 years in the Metal trading, manufacturing and recycling Industry. He overlooks Accounts, Dispatch, Marketing, Production, Quality, Sales and Storage department of the Company. |
| **Date of Birth** | July 24, 1991 |
| **PAN** | BIAPM4770Q |
| **Present Residential Address** | 64 Ground Floor, Hemkunt Colony, Greater Kailash Part-1, Greater Kailash, South Delhi, Delhi-110048. |
| **Position/posts held in the past** | Initially he was appointed as an Executive Director at the time of incorporation of the Company i.e. December 24, 2020.<br>Subsequently, pursuant to approval of members in the Extraordinary General Meeting held on June 18, 2026 he was re-designated as a Whole-time Director, with effect from June 18, 2026. |
| **Directorship/ Designated Partnership held** | 1. Sripa & RD Ventures Private Limited<br>2. Sarthak International Limited<br>3. Auto Recycling Services LLP |
| **Other Ventures** | Nil |

## DECLARATION

We declare and confirm that the details of the permanent account numbers, bank account numbers, passport numbers, Aadhar card number and driving license numbers of our Promoters are being submitted along with filing of this Draft Red Herring Prospectus with the Stock Exchange on which the specified securities are proposed to be listed.

## CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER IN LAST FIVE YEARS

There has been no change in control of our Company since incorporation immediately preceding the date of this Draft Red Herring Prospectus.

## MATERIAL GUARANTEES GIVEN BY OUR PROMOTERS

Except as stated in the chapter titled ***"Statement of Financial Indebtedness"*** and ***"Restated Financial Statements"*** beginning on page no. 103 and 207 of this Draft Red Herring Prospectus respectively, our Promoters has not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

## INTEREST OF OUR PROMOTERS

- Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company. Our Promoters may also be deemed to be interested to the extent of Equity Shares held by them and their immediate relatives in our Company and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares in our Company. For details regarding the shareholding of our Promoters in our Company, see the chapter titled ***"Capital Structure"*** on page 62 of this Draft Red Herring Prospectus.
- None of our Promoters have any interest in our Company except to the extent of compensation payable paid, and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and

associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding.

For further details please see the chapter titled ***"Capital Structure", "Restated Financial Statements"*** and ***"Our Management"*** beginning on page no. 62, 207 and 184 of this Draft Red Herring Prospectus.

- Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. For further details, please refer the chapter titled ***"Restated Financial Statements"*** beginning on page no. 207 of this Draft Red Herring Prospectus.
- Further, our Promoters may be deemed to be interested to the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made by our Company to certain Group entities, please refer *"**Note 34 – Related Party Transations**"* under chapter titled *"**Restated Financial Statement**"* beginning on Page No. 207 of this Draft Red Herring Prospectus.

**Interest of Promoters in the Promotion of our Company**

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

**Interest of Promoters in the Property of our Company**

Our Promoters has confirmed that they does not have any interest in any property acquired by our Company within three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus except as mentioned under the chapter titled ***"Business Overview"*** and ***"Restated Financial Statements"*** beginning on page no. 147 and 207 respectively, of this Draft Red Herring Prospectus.

## PAYMENT OF BENEFITS TO OUR PROMOTERS

Except as stated in *"**Note 34 – Related Party Transations**"* under chapter titled ***"Restated Financial Statement"*** beginning on Page No. 207 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters in the two years preceding the filing of this Draft Red Herring Prospectus. Further, our Company may enter into transaction with or make payment of benefit to the Promoters Directors or Promoters' Group, towards remunerations as decided by Board of Directors.

## CONFIRMATIONS

Our Company and Promoter confirm that they have not been declared as wilful defaulters or Fraudulent Borrowers by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

Further, our Promoter, Promoters Group or Directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.

Additionally, our Promoter, Promoters Group or Directors do not have direct or indirect relation with the companies, its Promoters and Whole-time Director, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.

Also, Our Promoters has not been declared as fugitive economic offenders under the provisions of Section 12 of the Fugitive Economic Offenders Act, 2018.

We and our Promoter, Group Entities, and Companies promoted by the Promoter confirm that:

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us; and
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs during the past three years.

The details of outstanding litigation including its nature and status are disclosed in the section titled ***"Outstanding Litigation and Material Developments"*** beginning on Page No. 266 of this Draft Red Herring Prospectus.

## DISASSOCIATION OF PROMOTERS IN THE LAST THREE YEAR:

Our Promoter has not disassociated himself from any Company or Firm during the preceding three years.

## RELATIONSHIP OF PROMOTER WITH OUR DIRECTORS

Except as disclosed below, our Promoters are not related to any of our Company's directors within the meaning of Section 2 (77) of the Companies Act, 2013.

| Sr. No. | Name of Promoter | Designation | Relation |
|---|---|---|---|
| 1. | Sanjeev Malhotra | Managing Director | He is husband of Ranjana Malhotra who is Non-Executive Director of our Company. |
| 2. | Sanjeev Malhotra | Managing Director | He is father of Sarthak Malhotra who is Whole-Time Director of our Company. |
| 3. | Sarthak Malhotra | Whole-time Director | He is son of Sanjeev Malhotra who is Managing Director and Ranjana Malhotra who is Non- Executive Director of our Company. |

In addition to our Promoter named above, the following individuals and entities form a part of the Promoters' Group:

**a. Natural persons who are part of our Individual Promoter Group:**

| Relationship with Promoter | Sanjeev Malhotra | Sarthak Malhotra |
|---|---|---|
| Father | Late Ved Prakash Malhotra | Sanjeev Malhotra |
| Mother | Late Sanyukta Malhotra | Ranjana Malhotra |
| Spouse | Ranjana Malhotra | Tanya Dhir |
| Brother(s) | Kanwer Surrinder Malhotra | - |
| Sister(s) | Late Kiran Sehgal | Prerna Malhotra |
| Son(s) | Sarthak Malhotra | Advait Malhotra |
| Daughter(s) | Prerna Malhotra | Inaaya Malhotra |
| Father-in-Law | Late Sain Das Kapur | Nitin Dhir |
| Mother-in-Law | Late Sushila Rani Kapoor | Piya Dhir |
| Brother-in-Law | Anil Kapoor* | - |
| | Rakesh Kapoor* | |
| Sister-in-Law | Anita Khanna* | Anmol Dhir |

** Mr. Anil Kapoor, Mr. Rakesh Kapoor, Ms. Anita Khanna (together to be referred as "Related Persons") have been disclosed as part of our Promoter Group on the basis of them being an immediate relative of our Promoter Mr. Sanjeev Malhotra. Such persons however do not maintain any cordial relations, arrangement, dealing with our Company, neither have they entered into any financial transactions with us nor have any interest in the business activities of our Company. Company had sent the request letter for providing the information in respect to IPO to the said relatives vide courier dated October 25, 2025 and October 28, 2025, but they denied to provide any of their documents/information vide mail dated November 11, 2025 and November 20, 2025.*

*In addition to the above, the company as well as the Merchant banker had sent reminder letter dated March 7, 2026 and March 16, 2026 and email dated March 6, 2026 and March 16, 2026 to the said relatives for providing the information. The tracking status of those letter are mentioned below:*

| *Sr. No.* | *Date* | *Name of relative* | *Tracking ID* | *Status* |
|---|---|---|---|---|
| *1.* | *March 16, 2026* | *Rakesh Kapoor* | *102602861613* | *Returned to sender* |
| *2.* | *March 16, 2026* | *Anil Kapoor* | *102602861614* | *Returned to sender* |
| *3.* | *March 16, 2026* | *Anita Khanna* | *102602861615* | *Returned to sender* |
| *4.* | *March 7, 2026* | *Anita Khanna* | *102602861265* | *Returned to sender* |
| *5.* | *March 7, 2026* | *Rakesh Kapoor* | *102602861263* | *Returned to sender* |

| | | | | |
|---|---|---|---|---|
| *6.* | *March 7, 2026* | *Anil Kapoor* | *102602861264* | *Returned to sender* |

*As the Company was unable to receive their consent or any other information from them. An exemption application dated March 27, 2026 ("Exemption Application") under Regulation 300(1)(c) of the SEBI ICDR Regulations was submitted to SEBI seeking an exemption from considering and disclosing (i) Mr. Anil Kapoor (Brother-in-law of the Promoter), (ii) Mr. Rakesh Kapoor (Brother-in-law of the Promoter), (iii) Ms. Anita Khanna (Sister -in-law of the Promoter), (iv) any body corporate in which 20% or more of the equity share capital is held by the above mentioned individuals or a firm or any Hindu Undivided Family where any of such individuals may be a member, or (v) any body corporate in which the body corporate mentioned under (iv) above holds 20% or more of the equity share capital, as members of the promoter group of the Company, in accordance with the SEBI ICDR Regulations as there is no contact between Mr. Sanjeev Malhotra and the Related Persons. However, our exemption application has been rejected by SEBI vide letter dated June 16, 2026. In accordance with the direction of SEBI vide its letter dated June 16, 2026, we are classifying and disclosing the Related Persons and their connected entities as part of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and have informed them accordingly. Further, we have been unable to obtain information in respect of such Related Persons and their connected entities, and accordingly, all applicable disclosures pertaining to them in this Draft Red Herring Prospectus are based on information available in the public domain. An appropriate Risk Factor in this regard, along with details of the relationship-wise classification as stated in the sworn affidavit filed with SEBI, has been included in the chapter titled **"Risk Factors"** beginning on page 16 of this Draft Red Herring Prospectus.*

b. **Companies related to our Promoter Company: Not Applicable as our Promoters is not Company.**

| Nature of Relationship | Name of Entities |
|---|---|
| Subsidiary or holding company of Promoter Company. | Not Applicable |
| Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate). | Not Applicable |

**c. Companies, Proprietary concerns, HUF's related to our Promoters**

| Nature of Relationship | Name of Entities |
|---|---|
| Any Body Corporate in which twenty percent or more of the equity share capital is held by promoters or an immediate relative of the promoters or a firm or HUF in which promoters or any one or more of his immediate relatives are a member. | Sarthak International Limited<br>Sripa & RD Ventures Private Limited<br>Indo Australian Enterprise Pty Ltd |
| Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital. | - |
| Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoters and his immediate relatives is equal to or more than twenty percent. | Auto Recycling Services LLP |

**d. Person whose shareholding is aggregated under the heading "Shareholding of the Promoters Group"**

For details on our Group Companies refer Chapter titled ***"Information with respect to Group Companies/Entities"*** beginning on page no. 278 of this Draft Red Herring Prospectus.

**SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of the shareholding of our Promoters and members of our Promoter Group as on the date of this Draft Red Herring Prospectus and lock-in of Promoters' shareholding (including Promoters 'contribution), refer Chapter titled ***"Capital Structure"*** beginning on page no. 62 of this Draft Red Herring Prospectus.

## DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Article of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

For details of risks in relation to our capability to pay dividend, see chapter titled ***"Risk Factors***" beginning on page no.16 of this Draft Red Herring Prospectus. Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid/ declared any dividend in last three years from date of this Draft Red Herring Prospectus.

## SECTION IX – FINANCIAL INFORMATION OF OUR COMPANY

## RESTATED FINANCIAL STATEMENTS

| Sr No. | Particulars | Page Nos. |
|---|---|---|
| 1. | Restated Financial Statements | 208 - 244 |

# Examination Report for the Restated Financial Statements of "Auto Recycling Systems Limited"

**Examination Report on the Restated Statement of Assets and Liabilities as on March 31, 2026, March 31, 2025 and March 31, 2024, Restated Statement of Profit and Loss and Restated Cash Flow Statement for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 of "Auto Recycling Systems Limited" (collectively, the "Restated Summary Statements")**

To,
The Board of Directors
**Auto Recycling Systems Limited**
14 /A33 IIIRD FLOOR CHANNA
MARKET WEA KAROL BAGH,
Central Delhi, New Delhi, Delhi, 110005

Dear Sir,

1. We have examined the attached Restated Statements of Assets and Liabilities of **Auto Recycling Systems Limited** (the "Company") along with significant accounting policies and related notes as on March 31, 2026, March 31, 2025 and March 31, 2024, Restated Statement of Profit & Loss and Restated Statement of Cash Flow for the year ended on March 31, 2026, March 31, 2025 and March 31, 2024, annexed to this report and prepared by the Company for the purpose of inclusion in the Offer Document (collectively the "Restated Summary Statements" or "Restated Financial Statements"). These Restated Summary Statements have been prepared by the company and approved by the Board of Directors of the company in connection with the Initial its proposed Initial Public Offering ("IPO") on the SME Platform of Bombay Stock Exchange Limited.

2. These Restated Summary Statements have been prepared in accordance with the requirements of:

    1. Section 26 and 32 of Part I of Chapter III to the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;

    2. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations), 2018 (the 'SEBI ICDR Regulations') as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act,1992;

    3. The Guidance Note on Reports in Company Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("ICAI") ("Guidance Note");

    4. The applicable regulation of SEBI (ICDR) Regulations, 2018, as amended, and as per Schedule VI (Part A) (11) (II) of the said Regulations; and

    5. The terms of reference to our engagement letter with the company dated December 27, 2024 requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on SME Platform of Bombay Stock Exchange Limited ("BSE SME") ("IPO" or "SME IPO").

3. These Restated Financial Information (included in Note 1 to 40) have been extracted by the Management of the Company from:

The Company's Financial Statements for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 have been approved by the Board of Directors at their meetings respectively and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Statements, are the responsibility of the Company's Management. The Financial Statement of the Company for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 was duly audited by respective Statutory Auditors of the Company on which they have issued Unmodified reports. Details of

opinion and annexure for qualification in auditors report is mentioned as under:-

| Auditor | For the year / period ended | Opinion | Refer Annexure |
|---|---|---|---|
| Ashok Jha & Co. | March 31, 2024 | Unmodified Opinion | - |
| Ashok Jha & Co. | March 31, 2025 | Unmodified Opinion | - |
| M Parashar & Co. | March 31, 2026 | Unmodified Opinion | - |

**4.** In accordance with the requirements of Section 26 and 32 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:

1. The **Restated Statement of Assets and Liabilities** as at March 31, 2026, March 31, 2025 and March 31, 2024 examined by us, as set out in **Note 1** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Note 4 to 29 to this Report.

2. The **Restated Statement of Profit and Loss** of the Company for the year ended March 31, 2026, March 31, 2025 and March 31, 2024 examined by us, as set out in **Note 2** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Note 4 to 29 to this Report.

3. The **Restated Statement of Cash Flows** of the Company for the year ended March 31, 2026, March 31, 2025 and March 31, 2024, examined by us, as set out in **Note 3** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flows, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Note 4 to 29 to this Report.

As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.

**5.** Based on the foregoing, and relying upon (i) the audited financial statements of the Company for the year ended March 31, 2026, along with the audit report thereon issued by M Parashar & Co., Chartered Accountants, the Peer Review Auditor, vide audit report dated August 19, 2026, and approved by the Board of Directors vide resolution dated August 19, 2026; and (ii) the audit reports issued by Ashok Jha & Co., Chartered Accountants, the Statutory Auditors of the Company, for the financial years ended March 31, 2025 and March 31, 2024, and based on the information and explanations provided to us, we are of the opinion that the Restated Financial Statements:

1. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company as at March 31, 2026, March 31, 2025 and March 31, 2024.

2. have been made after incorporating adjustments for prior period and other material amounts, if any, in the respective financial years/period to which they relate to;

3. do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Financial Statement and do not contain any qualification requiring adjustments;

4. Restated Summary Statement of Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments / restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Note 4 to 29 to this report;

5. Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies,

6. There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements;

7. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;

8. The Company has not paid dividends during the financial years under review.

**6.** We have also examined the following other Restated Financial Information as set out in the respective Annexure's to this report and forming part of the Restated Financial Statement, prepared by the management of the Company and approved by the Board of Directors of the company for the year ended on March 31, 2026, March 31, 2025 and March 31, 2024 proposed to be included in the Red Hearing Prospectus / Prospectus ("Offer Document") for the proposed IPO:

1. Statement of Share Capital, as restated in **Note 6** to this report.
2. Statement of Reserves & Surplus, as restated in **Note 7** to this report.
3. Statement of Long-Term Borrowings, as restated in **Note 8** to this report.
4. Statement of Long-Term Provisions, as restated in **Note 9** to this report.
5. Statement of Deferred Tax Liabilities (Net), as restated in **Note 10** to this report.
6. Statement of Short-Term Borrowings, as restated in **Note 11** to this report.
7. Statement of Trade Payables, as restated in **Note 12** to this report.
8. Statement of Other Current Liabilities, as restated in **Note 13** to this report.
9. Statement of Short-Term Provisions, as restated in **Note 14** to this report.
10. Statement of Plant, Property & Equipment and Intangible Assets, as restated in **Note 15** to this report.
11. Statement of Long-Term Loans and Advances, as restated in **Note 16** to this report.
12. Statement of Inventories, as restated in **Note 17** to this report.
13. Statement of Trade Receivables, as restated in **Note 18** to this report.
14. Statement of Cash and Bank Balance, as restated in **Note 19** to this report.
15. Statement of Short-Term Loans and Advances, as restated in **Note 20** to this report.
16. Statement of Other Current Assets, as restated in **Note 21** to this report.
17. Statement of Revenue from Operations, as restated in **Note 22** to this report.
18. Statement of Other Income, as restated in **Note 23** to this report.
19. Statement of Purchase Cost (Cost of Goods Consumed), as restated in **Note 24** to this report.
20. Statement of Changes in Inventories of Stock-in-Trade, as restated in **Note 25** to this report.
21. Statement of Employee Benefit Expense, as restated in **Note 26** to this report.
22. Statement of Finance Costs, as restated in **Note 27** to this report.
23. Statement of Depreciation and Amortisation Expense, as restated in **Note 28** to this report.
24. Statement of Other Expenses, as restated in **Note 29** to this report.
25. Statement of Current Tax and Deferred Tax, as restated in **Note 30** to this report.
26. Statement of Earning Per Share, as restated in **Note 31** to this report.
27. Statement of Segment Information, as restated in **Note 32** to this report.
28. Statement of Employee Benefit Plans, as restated in **Note 33** to this report.
29. Statement of Related Party Disclosures, as restated in **Note 34** to this report.
30. Statement of Additional Notes, as restated in **Note 35** to this report.
31. Statement of Other Statutory Information, as restated in **Note 36** to this report.
32. Statement of Ratio Analysis and its Elements, as restated in **Note 37** to this report.
33. Statement of Accounting Ratios, as restated in **Note 38** to this report.

34. Statement of Capitalization, as restated in **Note 39** to this report.
35. Statement of Tax Shelters, as restated in **Note 40** to this report.

**7.** We, *M Parashar & Co.*, Chartered Accountants hold a valid peer review certificate issued by the "Peer Review Board" of the Institute of Chartered Accountants of India ("ICAI").

**8.** The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

**9.** This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or other auditor, nor should this report be construed as an opinion on any of the Financial Information referred to herein.

**10.** We have no responsibility to update our report for events and circumstances occurring after the date of the report.

**11.** In our opinion, the above Restated Financial Statements contained in **Note 1 to 40** to this report read along with the 'Significant Accounting Policies and Notes to the Financial Statements' appearing in **Note 4 to 29** after making adjustments and regrouping / reclassification as considered appropriate and have been prepared in accordance with the provisions of Section 26 and 32 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.

**12.** Our report is intended solely for use of the Management and for inclusion in the offer documents in connection with the proposed SME IPO of equity shares of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

For **M Parashar & Co.**
Chartered Accountants
(Registration No. **110954C**)

Sd/-

**CA Amit Parashar**
Partner
Membership No. **430317**
Place: **Mumbai**
Date: **September 16, 2026**
UDIN: **26430317KVYFFS5755**

**Auto Recycling Systems Limited**
**(Previously known as Auto Recycling Systems Private Limited)**
**CIN : U27200DL2020PLC374942**
**STATEMENT OF ASSETS AND LIABILITIES AS RESTATED**
**All amounts are ₹ in Lakhs unless otherwise stated**

**Note-1**

| Particulars | Note | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| **Equity and liabilities** | | | | |
| **Shareholders' Funds** | | | | |
| (a) Share capital | 6 | 800.00 | 800.00 | 800.00 |
| (b) Reserves and Surplus | 7 | 1,803.28 | 681.14 | 36.32 |
| **Total Shareholders' Funds** | | **2,603.28** | **1,481.14** | **836.32** |
| **Non-current liabilities** | | | | |
| (a) Long-terms borrowings | 8 | 742.91 | 544.14 | 341.37 |
| (b) Long-terms provisions | 9 | 5.71 | 3.49 | 1.88 |
| (c) Deferred Tax Liabilities (Net) | 10 | 31.62 | 22.35 | 14.33 |
| **Total non-current liabilities** | | **780.24** | **569.97** | **357.58** |
| **Current liabilities** | | | | |
| (a) Short-term borrowings | 11 | 3,641.58 | 1,889.73 | 1,239.71 |
| (b) Trade payables | 12 | | | |
| - Total outstanding dues to micro and small enterprises | | 327.68 | - | - |
| - Total outstanding dues of creditors other than micro and small enterprises | | 533.28 | 303.57 | 101.14 |
| (c) Other current liabilities | 13 | 169.62 | 491.12 | 85.51 |
| (d) Short term Provisions | 14 | 255.89 | 129.03 | 8.20 |
| **Total current liabilities** | | **4,928.06** | **2,813.44** | **1,434.56** |
| **Total Shareholders Fund and Liabilities** | | **8,311.58** | **4,864.55** | **2,628.46** |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| (a) Property, plant and equipment and Intangible Asset -Property, plant and equipment | 15 | 1,415.12 | 1,227.66 | 1,098.59 |
| (b) Long Term Loan and Advances | 16 | 29.76 | 28.79 | 21.29 |
| **Total non-current assets** | | **1,444.88** | **1,256.46** | **1,119.88** |
| **Current assets** | | | | |
| (a) Inventories | 17 | 3,375.79 | 1,612.32 | 671.61 |
| (b) Trade receivables | 18 | 2,889.53 | 1,369.28 | 437.01 |
| (c) Cash and Bank Balance | 19 | 190.65 | 138.31 | 151.37 |
| (d) Short Term Loan and Advances | 20 | 407.65 | 486.34 | 236.18 |
| (e) Other Current assets | 21 | 3.08 | 1.83 | 12.41 |
| **Total current assets** | | **6,866.69** | **3,608.09** | **1,508.58** |
| **Total assets** | | **8,311.58** | **4,864.55** | **2,628.46** |

The above statement should be read with the Statement of Notes to the Restated Financial Information in Notes 4 to 40

As per our report of even date attached

**For M Parashar & Co.**
Chartered Accountants
**Firm Reg. No.: 110954C**

Sd/-

**Amit Parashar**
**Partner**
**M No. 430317**
Place: Mumbai
Date : September 16, 2026
UDIN : 26430317KVYFFS5755

**For and on behalf of Board of Directors of**
**Auto Recycling Systems Limited**

Sd/-

**SARTHAK MALHOTRA**
**Director**
**DIN : 03558441**

Sd/-

**MEENAKSHI GUPTA**
**Chief Financial Officer**

Place: New Delhi
Date : September 16, 2026

Sd/-

**SANJEEV MALHOTRA**
**Director**
**DIN : 00525447**

Sd/-

**JYOTI BALA SONI**
**Company Secretary**
**M No. : 68484**

Place: New Delhi
Date : September 16, 2026

**Auto Recycling Systems Limited**
**(Previously known as Auto Recycling Systems Private Limited)**
**CIN : U27200DL2020PLC374942**
**STATEMENT OF PROFIT AND LOSS AS RESTATED**
**All amounts are ₹ in Lakhs unless otherwise stated**

**Note-2**

| | Particulars | Note | For the year ended March 31, 2026 | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|---|---|
| I | Revenue from operations | 22 | 25,667.19 | 14,421.53 | 5,268.67 |
| II | Other income | 23 | 88.38 | 102.98 | 19.21 |
| **III** | **Total income (I + II)** | | **25,755.57** | **14,524.51** | **5,287.88** |
| **IV** | **Expenses** | | | | |
| | (a) Cost of Goods Consumed | 24 | 23,783.02 | 13,583.59 | 5,135.69 |
| | (b) Changes in inventories of Stock in Trade | 25 | (675.90) | (570.22) | (282.81) |
| | (c) Employee benefit expense | 26 | 147.94 | 126.78 | 97.32 |
| | (d) Finance costs | 27 | 269.71 | 161.29 | 89.11 |
| | (e) Depreciation and amortisation expense | 28 | 46.54 | 41.00 | 32.43 |
| | (f) Other expenses | 29 | 807.63 | 395.81 | 178.90 |
| | **Total expenses (IV)** | | **24,378.94** | **13,738.25** | **5,250.64** |
| | | | **1,376.63** | **786.26** | **37.24** |
| | **Profit before Exceptional and Extraordinary Items and Tax** | | | | |
| | Exceptional Items | | - | - | - |
| | **Profit before Extraordinary Items and Tax** | | **1,376.63** | **786.26** | **37.24** |
| | Extraordinary Items | | - | - | - |
| **V** | **Profit before tax (III - IV)** | | **1,376.63** | **786.26** | **37.24** |
| **VI** | **Tax expense** | | | | |
| | (1) Current tax | 30 | 245.33 | 140.43 | 2.46 |
| | (2) Deferred tax expense/ (credit) | 30 | 9.28 | 8.02 | 6.09 |
| | **Total tax expense (VI)** | | **254.61** | **148.45** | **8.56** |
| **VII** | **Profit for the year (V -VI)** | | **1,122.02** | **637.81** | **28.69** |
| **VIII** | **Basic/Diluted Earnings per equity share** | 31 | | | |
| | (1) Restated Basic (₹) | | 14.03 | 7.97 | 0.36 |
| | (2) Restated Diluted (₹) | | 14.03 | 7.97 | 0.36 |

The above statement should be read with the Statement of Notes to the Restated Financial Information in Notes 4 to 40

As per our report of even date attached

**For M Parashar & Co.**
Chartered Accountants
**Firm Reg. No.: 110954C**

Sd/-

**Amit Parashar**
**Partner**
**M No. 430317**
Place: Mumbai
Date : September 16, 2026
UDIN : 26430317KVYFFS5755

**For and on behalf of Board of Directors of**
**Auto Recycling Systems Limited**

Sd/-

**SARTHAK MALHOTRA**
**Director**
**DIN : 03558441**

Sd/-

**SANJEEV MALHOTRA**
**Director**
**DIN : 00525447**

Sd/-

**MEENAKSHI GUPTA**
**Chief Financial Officer**

Sd/-

**JYOTI BALA SONI**
Company Secretary
M No. : 68484

Place: New Delhi
Date : September 16, 2026

Place: New Delhi
Date : September 16, 2026

**Auto Recycling Systems Limited**
**(Previously known as Auto Recycling Systems Private Limited)**
**CIN : U27200DL2020PLC374942**
**Restated Statement of Cash flows**
**All amounts are ₹ in Lakhs unless otherwise stated**

| Particulars | For the year ended March 31, 2026 | For year ended March 31, 2025 | Note -3<br>For year ended March 31, 2024 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | 1,376.63 | 786.26 | 37.24 |
| Adjustments for: | | | |
| Finance costs | 269.71 | 161.29 | 89.11 |
| Rental Income | (80.00) | (66.00) | (12.00) |
| Interest income | (5.52) | (8.36) | (6.54) |
| Depreciation and amortisation expenses | 46.54 | 41.00 | 32.43 |
| Other Adjustment in Reserve | 0.12 | 7.01 | (1.09) |
| **Operating profit before working capital changes** | **1,607.49** | **921.21** | **139.15** |
| **Adjustments for:** | | | |
| **(Increase)/decrease in operating assets** | | | |
| Trade receivables | (1,520.24) | (932.28) | (437.01) |
| Inventories | (1,763.46) | (940.71) | (300.67) |
| Long Term Loan and Advances | (0.96) | (7.50) | (12.04) |
| Short Term Loan and Advances | 78.70 | (250.16) | (142.12) |
| Other Current Assets | (1.25) | 10.58 | (7.80) |
| **Increase/(decrease) in operating liabilities** | | | |
| Trade payables | 557.39 | 202.43 | (194.21) |
| Provisions (Long Term & Short Term) | 129.09 | 122.43 | 4.09 |
| Other current liabilities | (321.49) | 405.60 | (8.69) |
| **Changes in Working Capital** | **(2,842.24)** | **(1,389.60)** | **(1,098.43)** |
| **Cash generated from operations** | **(1,234.75)** | **(468.40)** | **(959.28)** |
| Income tax paid | (245.33) | (140.43) | (2.46) |
| **Net cash generated by operating activities** | **(1,480.08)** | **(608.83)** | **(961.75)** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment and other intangible assets | (234.00) | (170.08) | (34.36) |
| Interest Income | 5.52 | 8.36 | 6.54 |
| Rental Income | 80.00 | 66.00 | 12.00 |
| **Net cash used in investing activities** | **(148.49)** | **(95.72)** | **(15.82)** |
| **Cash flows from financing activities** | | | |
| Increase in Share Capital (inclusive of Premium received) | - | - | 200.21 |
| Increase/Decrease in short term Borrowings(net) | 1,751.85 | 650.02 | 879.05 |
| Increase/Decrease in Long Term Borrowings(net) | 198.77 | 202.76 | 70.15 |
| Interest Paid | (269.71) | (161.29) | (89.11) |
| **Net cash (used in) / generated by financing activities** | **1,680.90** | **691.50** | **1,060.30** |
| **Net increase/ (decrease) in cash and cash equivalents** | **52.34** | **(13.05)** | **82.73** |
| Cash and cash equivalents at the beginning of the year | 138.31 | 151.37 | 68.63 |
| **Cash and cash equivalents at the end of the year** | **190.65** | **138.31** | **151.37** |

**Reconciliation of cash and cash equivalents with the Balance Sheet:**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **a. Cash and cash equivalents** | | | |
| Cash In Hand | 3.46 | 18.70 | 8.87 |
| Balances With Banks In Current Accounts | 142.52 | 0.01 | - |
| **b. Bank balances other than cash and cash equivalents** | | | |
| Term deposits with banks (with original maturity of more than three months but less than twelve months) | 44.67 | 119.60 | 142.50 |
| **Total** | **190.65** | **138.31** | **151.37** |

**Note:**
The above cash flow statement has been prepared under Indirect Method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under section 133 of the Companies Act, 2013.

The above statement should be read with the Statement of Notes to the Restated Financial Information in Notes 4 to 40

**For M Parashar & Co.**
Chartered Accountants
**Firm Reg. No.: 110954C**

Sd/-

**Amit Parashar**
**Partner**
Place: Mumbai
Date : September 16, 2026
UDIN : 26430317KVYFFS5755

**For and on behalf of the Board of Directors of**
**Auto Recycling Systems Limited**

Sd/-

**SARTHAK MALHOTRA**
**Director**
**DIN : 03558441**

Sd/-

**SANJEEV MALHOTRA**
**Director**
**DIN : 00525447**

Sd/-

**MEENAKSHI GUPTA**
**Chief Financial Officer**

Sd/-

**JYOTI BALA SONI**
**Company Secretary**
**M No. : 68484**

Place: New Delhi
Date : September 16, 2026

Place: New Delhi
Date : September 16, 2

**AUTO RECYCLING SYSTEMS LIMITED**

**CIN: U27200DL2020PLC374942**

**Note 4: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

**1. CORPORATE INFORMATION**

**Auto Recycling Systems Limited** is a company Incorporated on December 24, 2020.

The corporate identification number of the company is **U27200DL2020PLC374942**
The company is engaged in the manufacturing of basic, precious and non-ferrous metals.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

The restated summary statement of assets and liabilities of the Company as at March 31, 2026, March 31, 2025 and 2024 and the related restated summary statement of profits and loss and cash flows for the year/period ended March 31, 2026, March 31, 2025 and 2024 (herein collectively referred to as ("Restated Summary Statements") have been compiled by the management from the audited Financial Statements of the Company for the year/period ended on March 31, 2026, March 31, 2025 and 2024 approved by the Board of Directors of the Company. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part 1 of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note"). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Exchange in connection with its proposed SME IPO. The Company's management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of current - non-current classification of assets and liabilities.

**b) Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from these estimates. Key areas involving critical estimates for the current year include the valuation of inventories, useful life of Property, Plant and Equipment, actuarial assumptions for employee benefit obligations, and the estimation of liabilities in respect of Provident Fund and Employees' State Insurance contributions relating to prior periods.

**c) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, taxes, duties, freight and other directly attributable costs of bringing the asset to its working condition for its intended use.

**d) Depreciation**

Depreciation on Property, Plant and Equipment is provided on the Straight Line Method ("SLM"), over the useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013. Depreciation on additions during the year is provided on a pro-rata basis from the date the asset is put to use.

**e) Intangible Assets**

The Company does not have any intangible assets.

**f) Inventories**

Inventories, comprising Raw Material (scrap) and Finished Goods (processed/manufactured alloy metal products), are valued at the lower of cost and net realisable value. Cost is determined on a First-In-First-Out ("FIFO") basis and includes all costs of purchase, costs of conversion (including power, fuel, and processing/job-work charges directly attributable to the smelting and alloying process), and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**g) Revenue Recognition**

Revenue from the sale of manufactured products, is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be reliably measured, and it is reasonably certain that the economic benefits will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts, rebates, and Goods and Services Tax.

Income earned by the company on account of non - operating activities, are accounted under other Income.

**h) Cost of Goods Consumed**

Cost of goods consumed comprises the cost of raw materials/scrap purchased, including import expenses, freight, and cartage inward, and other directly attributable procurement costs, valued on a FIFO basis, and is recognised on consumption, net of closing stock valued as per the inventory policy above.

**i) Borrowing Costs**

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they are incurred, in accordance with AS 16, "Borrowing Costs."

**j) Employee Benefits**

**Defined contribution plans —** the Company's contributions to Provident Fund and Employees' State Insurance are recognised as an expense in the Statement of Profit and Loss on an accrual basis, in the period in which the related employee services are rendered, in accordance with AS 15, "Employee Benefits."

**Defined benefit plans —** the Company operates a gratuity plan, and the liability is determined on the basis of an actuarial valuation carried out using the Projected Unit Credit Method, in accordance with AS 15. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they arise.

**k) Foreign Currency Transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, if any, are translated at the closing exchange rate as at the balance sheet date, and the resulting exchange differences are recognised in the Statement of Profit and Loss.

**l) Operating Leases**

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease payments under operating leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

**m) Provisions and Contingent Liabilities**

A provision for losses arising from claims, litigation, assessment, fines, penalties, etc., is recognised when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources

embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow of resources is remote, no disclosure or provision is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

**n) Earnings Per Share**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year, in accordance with AS 20, "Earning per Share." Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

**o) Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. An impairment loss is recognised in the Statement of Profit and Loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation, had no impairment loss been recognised.

**p) Segment Reporting**

For management purposes, the Company is organised into, and evaluated as, one reportable business segment. The Company's operations are confined to a single geographical segment, being India.

**q) Cash and Cash Equivalents**

Cash and cash equivalents comprises Cash-in-hand, Current Accounts, Fixed Deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Other Bank Balances are short-term balance (with original maturity is more than three months but less than twelve months).

**r) Related Party Transactions**

Related parties are identified in accordance with AS 18, "Related Party Disclosures," and Section 2(76) of the Companies Act, 2013. Transactions with related parties are disclosed regardless of whether a price is charged, and are conducted, as represented by management, on terms equivalent to those prevailing in arm's-length transactions.

**s) Taxes on Income**

Income taxes are accounted for in accordance with Accounting Standard (AS-22) - "Accounting for taxes on income", notified under Companies (Accounting Standards) Rules, 2021. Income tax comprises of both current and deferred tax.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

**t) Cash Flow Statements**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**u) Event Occurring After the Balance Sheet Date**

Assets and Liabilities are adjusted for events occurring after the Balance Sheet date that provide additional evidence to assist the estimation of amounts relating to condition existing at the Balance sheet date.

**v) Government Grants**

Government grants are recognized when there is reasonable assurance that the conditions attached to them will be complied with and the grants will be received.

• Grants related to revenue are recognized in the Statement of Profit and Loss on a systematic basis over the periods in which the related costs are incurred.

• Grants related to specific fixed assets/property, plant and equipment are recognised in the books when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Such grants are shown as a deduction from the gross value of the related asset in arriving at its book value. The grant is thus recognised in the Statement of Profit and Loss over the useful life of the depreciable asset by way of a reduced depreciation charge, in accordance with Accounting Standard (AS) 12, "Accounting for Government Grants", notified under the Companies (Accounting Standards) Rules, 2006, as amended by the Companies (Accounting Standards) Rules, 2016.

• Refunds of grants are adjusted in the period in which they become repayable.

**Auto Recycling Systems Limited**
**(Previously known as Auto Recycling Systems Private Limited)**
**Notes on Reconciliation of Restated Profits and Restated Shareholders' Funds**
**All amounts are ₹ in Lakhs unless otherwise stated**

**5a . NOTES ON RECONCILIATION OF RESTATED PROFITES**

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| **Net Profit/(Loss) after Tax as per Audited Profit & Loss Account.** | **1,128.58** | **601.23** | **77.74** |
| **Adjusted for:** | | | |
| Gratuity Expense | | (1.65) | (1.76) |
| Deffered Tax Expense | | (1.36) | (6.09) |
| Interest on Fixed Deposit | | 2.95 | (0.65) |
| Change in Depreciation | | 45.61 | 43.95 |
| Insurance Expenses | | 4.22 | (5.14) |
| Grant Income | | (0.60) | (75.79) |
| CSR Provision | | (0.77) | |
| ESIC and EPFO Expenses | | (0.71) | (0.41) |
| Foreign Exchange Gain / Loss | | 22.04 | (15.41) |
| Current Tax | (4.24) | (33.15) | 12.22 |
| Prior Period Error | (2.32) | 0.02 | 0.02 |
| **Net Profit/(Loss) after Tax as Restated.** | **1,122.02** | **637.81** | **28.69** |

**5b. NOTES ON RECONCILIATION OF RESTATED SHAREHOLDERS FUNDS**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Shareholders Fund (a)** | **2,607.90** | **1,492.79** | **891.56** |
| **Adjusted for:** | | | |
| Opening difference in Reserves & Surplus | (0.39) | (55.24) | (6.17) |
| Gratuity Expense | - | (1.65) | (1.76) |
| Deffered Tax Expense | | (1.36) | (6.09) |
| Interest on Fixed Deposit | | 2.95 | (0.65) |
| Change in Depreciation | | 45.61 | 43.95 |
| Insurance Expenses | | 4.22 | (5.14) |
| Grant Income | - | (0.60) | (75.79) |
| CSR Provision | - | (0.77) | - |
| ESIC and EPFO Expenses | | (0.71) | (0.41) |
| Foreign Exchange Gain / Loss | - | 22.04 | (15.41) |
| Current Tax | (4.24) | (33.15) | 12.22 |
| Other Adjustment in Reserve & Surplus | | 7.01 | |
| **Shareholders Fund after Tax as Restated.** | **2,603.27** | **1,481.13** | **836.32** |

**Explanatory notes to the above restatements to profits and shareholders fund made in the audited Financial Statement of the Company for the respective**

1. Gratuity Expense: Gratuity liability/expense relating to earlier years was not recognised as per AS-15 and has now been recognised and restated.

2. Deferred Tax: Deferred tax impact arising from the above adjustments was not correctly recognised and has now been recalculated and restated.

3. Interest on Fixed Deposit: Interest income on fixed deposits was not correctly accounted for and has now been recognised and restated.

4. Change in Depreciation: Depreciation was not correctly calculated and has now been recalculated and restated.

5. Insurance Expenses: Insurance expenses were not correctly accounted for in the respective years and have now been corrected and restated.

6. Grant Income: Grant received towards fixed assets was incorrectly recognised as income and has now been corrected and restated.

7. CSR Provision: CSR provision was not recognised in the respective year and has now been provided for and restated.

8. ESIC And EPFO: ESIC and EPFO expenses were not fully recognised and have now been appropriately provided for and restated.

9. Foreign Exchange Gain / Loss were not fully recognised and have now been appropriately provided for and restated.

9. Income Tax Expense: Income tax provision was lower than the amount payable and paid in FY 2025-26 and has now been corrected and restated.

10. Prior Period Error: An asset was derecognised in the current year instead of the relevant prior year, and the impact has now been corrected retrospectively.

11. Opening Reserves & Surplus: Differences between the previously audited and restated balances relating to prior periods have been adjusted in opening reserves and surplus.

12. Other Adjustment in Reserves & Surplus: Other differences identified during the reconciliation of reserves and surplus have been appropriately adjusted.

**5 c. Adjustments having no Impact on Net worth and Profit:**

**a. Material Regrouping**
Appropriate regroupings have been made in the Restated Summary Statements, 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 Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

**6 Equity share capital**

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| **Authorised capital** | | | | | | |
| Equity Shares of ₹ 10/- each | 80,00,000 | 800.00 | 80,00,000 | 800.00 | 80,00,000 | 800.00 |
| | **80,00,000** | **800.00** | **80,00,000** | **800.00** | **80,00,000** | **800.00** |
| **Issued, subscribed and fully paid up** | | | | | | |
| Equity Shares of ₹ 10/- each | 80,00,000 | 800.00 | 80,00,000 | 800.00 | 80,00,000 | 800.00 |
| | **80,00,000** | **800.00** | **80,00,000** | **800.00** | **80,00,000** | **800.00** |

**6.1 Rights, preference and restriction attached to equity shares**

1. **'Terms/Rights attached to Equity Shares:** The company has only one class of Equity Shares having a par value of 10/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining Assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Share holders.

2) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

3) Every member of the company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

**6.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year**

| Particulars | As at March 31, 2026 | | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| At the beginning of the relevant year | 80,00,000 | 800.00 | 80,00,000 | 800.00 | 46,29,869 | 462.99 |
| Add: Issued during the year | - | - | - | - | 33,70,131 | 337.01 |
| **At the end of the year** | **80,00,000** | **800.00** | **80,00,000** | **800.00** | **80,00,000** | **800.00** |

Note: There are no shares held by holding/ ulitmate holding company and / or their subsidiaries / Associates.

A. The Company had received application money towards a Rights Issue for 3,15,446 Equity Shares of face value of ₹10 each from Mr. Sanjeev Malhotra and Mr. Sarthak Malhotra during the Financial Year 2022–23, pursuant to the Board Resolution dated 15th September 2022. Subsequently, the allotment of the aforesaid Equity Shares was completed during the Financial Year 2023–24, and the Company filed the relevant PAS-3 on 22nd July 2023

B. The Company had received application money towards a Rights Issue for 10,52,548 Equity Shares of face value of ₹10 each from Mr. Sanjeev Malhotra during the Financial Year 2022–23, pursuant to the Board Resolution dated 03rd November 2022. Subsequently, the allotment of the aforesaid Equity Shares was completed during the Financial Year 2023–24, and the Company filed the relevant PAS-3 on 22nd July 2023.

C.The Company has issued 8,06,200 number of Equity shares having par value of 10 each on 30th April 2023 by way of right issue to Mr. Sanjeev Malhotra.

D.The Company has issued 5,84,475 number of Equity shares having par value of 10 each on 07th June 2023 by way of right issue to Mr. Sanjeev Malhotra and Mr. Sarthak Malhotra.

E.The Company has issued 6,11,462 number of Equity shares having par value of 10 each on 07th July 2023 to Mr. Sanjeev Malhotra against his unsecured loan.

**6.3 Details of shares held by each shareholder holding more than 5% shares:**

| Name of shareholder | As at March 31, 2026 | | As at March 31, 2025 | | As at March 31, 2024 | |
|---|---|---|---|---|---|---|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Mr. Sanjeev Malhotra | 76,23,100 | 95.29% | 76,23,100 | 95.29% | 76,23,100 | 95.29% |
| **Total** | **76,23,100** | **95.29%** | **76,23,100** | **95.29%** | **76,23,100** | **95.29%** |

**6.4 Details of Change in % holding of the Promoters**

| Promoter Name | As at March 31, 2026 | | | As at March 31, 2025 | | |
|---|---|---|---|---|---|---|
| | Number of shares held | % of total shares | % Change during the year | Number of shares held | % of total shares | % Change during the year |
| Mr. Sanjeev Malhotra | 76,23,100 | 95.29% | 0.00% | 76,23,100 | 95.29% | 0.00% |
| Mrs. Ranjana Malhotra | 450 | 0.01% | 0.00% | 450 | 0.01% | 0.00% |
| Mr. Sarthak Malhotra | 3,76,450 | 4.71% | 0.00% | 3,76,450 | 4.71% | 0.00% |

| Promoter Name | As at March 31, 2024 | | |
|---|---|---|---|
| | Number of shares held | % of total shares | % Change during the year |
| Mr. Sanjeev Malhotra | 76,23,100 | 95.29% | -1.45% |
| Mrs. Ranjana Malhotra | 450 | 0.01% | 0.00% |
| Mr. Sarthak Malhotra | 3,76,450 | 4.71% | 1.46% |

**6.5 Aggregate number of bonus share issued and share issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:**

There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

**Auto Recycling Systems Limited**
**(Previously known as Auto Recycling Systems Private Limited)**
**Notes to the Restated Financial Statements**
**All amounts are ₹ in Lakhs unless otherwise stated**

**7 Reserves and Surplus**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Retained earnings | 1,803.28 | 681.14 | 36.32 |
| **Total** | **1,803.28** | **681.14** | **36.32** |

**7.1 Retained earnings**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Balance at beginning of the year | 681.14 | 36.32 | 12.19 |
| Profit/(Loss) for the year | 1,122.02 | 637.81 | 28.69 |
| Add/Less: Other Adjustment | 0.12 | (0.31) | 1.35 |
| Add/Less: Change in Depreciation | - | 7.32 | (5.91) |
| **Balance at end of the year** | **1,803.28** | **681.14** | **36.32** |

Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings is a free reserve available to the Company.

**8 Long-terms borrowings**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Secured Loan From Banks** | | | |
| **Term Loan** | | | |
| Term Loan From Bank of India | - | - | 17.88 |
| Term Loan From Kotak Mahindra Bank | 138.16 | - | - |
| Term Loan From ICICI Bank | - | 136.80 | 82.89 |
| **Vehicle Loan** | | | |
| Car Loan From Bank of India | 10.02 | 13.05 | 15.78 |
| Vehicle Loan From ICICI Bank | 15.05 | 16.88 | - |
| Vehicle Loan from BMW | 95.86 | | |
| **Total Secured Loan** | **259.09** | **166.73** | **116.55** |
| Less:-Current Maturities of Long Term Borrowing | 38.99 | 151.69 | 29.34 |
| **Net Secured Loan** | **220.09** | **15.05** | **87.21** |
| **Unsecured Loans** | | | |
| **From Related Party** | | | |
| Loan From Prerna Malhotra | 15.00 | 15.00 | 15.00 |
| Loan From Ranjana Malhotra | 249.01 | 255.01 | 58.50 |
| Loan From Sanjeev Malhotra | 68.76 | 68.76 | 68.76 |
| Loan From Sarthak Malhotra | 190.04 | 190.32 | 111.90 |
| **Total** | **742.91** | **544.14** | **341.37** |

The Company's term loans and vehicle loans from banks are secured against current assets, movable fixed assets and immovable properties (residential and industrial) of the Company.

**Annexure 8.1: Restated Statement of Details regarding Loans**

**Long Term Borrowings (secured)**

| Sr No. | Lender | Nature of Facility | Loan | Outstanding as on 31st March 2026 | Rate of Interest/Margin | Repayment Term | Security/ Principal terms and | Collateral Security/ other Condition |
|---|---|---|---|---|---|---|---|---|
| 1 | Kotak Mahindra Bank | Term Loan | 63.00 | 58.11 | Repo Rate + 2.80% (Repo presently 5.50%; effective 8.30% p.a.), floating, reset every 3 months | Repayable in structured monthly instalments; residual tenor 56 months from sanction dated 14.11.2025. | Exclusive charge by way of hypothecation of All Moveable Fixed Assets and Current Assets (existing and future) of the Company. | 1st & Exclusive Equitable Mortgage of Residential Property - Plot No.64, Hemkunt Colony, GF, Greater Kailash Part-I, New Delhi 110048 (owned by Mrs. Ranjana Malhotra); 1st & Exclusive Equitable Mortgage of Industrial Property - Khasra No.57, Killa No.5/2/1, 6/2, 15/2/1/2, Janauli Road, Palwal, Faridabad, Haryana 121102 (owned by Auto Recycling Systems Pvt. Ltd.); Personal Guarantee of Mr. Sanjeev Malhotra (Rs.39.50 crore) and Mr. Sarthak Malhotra (Rs.39.50 crore) and Ranjana Malhotra (Rs. 4.26 crore) |
| 2 | Kotak Mahindra Bank | Term Loan - 1 | 24.00 | 22.85 | Repo Rate + 2.80% (Repo presently 5.50%; effective 8.30% p.a.), floating, reset every 3 months | Repayable in structured monthly instalments; residual tenor 68 months from sanction dated 14.11.2025. | Exclusive charge by way of hypothecation of All Moveable Fixed Assets and Current Assets (existing and future) of the Company. | 1st & Exclusive Equitable Mortgage of Residential Property - Plot No.64, Hemkunt Colony, GF, Greater Kailash Part-I, New Delhi 110048 (owned by Mrs. Ranjana Malhotra); 1st & Exclusive Equitable Mortgage of Industrial Property - Khasra No.57, Killa No.5/2/1, 6/2, 15/2/1/2, Janauli Road, Palwal, Faridabad, Haryana 121102 (owned by Auto Recycling Systems Pvt. Ltd.); Personal Guarantee of Mr. Sanjeev Malhotra (Rs.39.50 crore) and Mr. Sarthak Malhotra (Rs.39.50 crore) and Ranjana Malhotra (Rs. 4.26 crore) |
| 3 | Kotak Mahindra Bank | Term Loan - 2 | 50.00 | 47.10 | Repo Rate + 2.80% (Repo presently 5.50%; effective 8.30% p.a.), floating, reset every 3 months | Repayable in structured monthly instalments; residual tenor 68 months from sanction dated 14.11.2025. | Exclusive charge by way of hypothecation of All Moveable Fixed Assets and Current Assets (existing and future) of the Company. | 1st & Exclusive Equitable Mortgage of Residential Property - Plot No.64, Hemkunt Colony, GF, Greater Kailash Part-I, New Delhi 110048 (owned by Mrs. Ranjana Malhotra); 1st & Exclusive Equitable Mortgage of Industrial Property - Khasra No.57, Killa No.5/2/1, 6/2, 15/2/1/2, Janauli Road, Palwal, Faridabad, Haryana 121102 (owned by Auto Recycling Systems Pvt. Ltd.); Personal Guarantee of Mr. Sanjeev Malhotra (Rs.39.50 crore) and Mr. Sarthak Malhotra (Rs.39.50 crore) and Ranjana Malhotra (Rs. 4.26 crore) |
| 4 | Kotak Mahindra Bank | Term Loan - 3 | 11.00 | 10.10 | Repo Rate + 2.80% (Repo presently 5.50%; effective 8.30% p.a.), floating, reset every 3 months | Repayable in structured monthly instalments; residual tenor 68 months from sanction dated 14.11.2025. | Exclusive charge by way of hypothecation of All Moveable Fixed Assets and Current Assets (existing and future) of the Company. | 1st & Exclusive Equitable Mortgage of Residential Property - Plot No.64, Hemkunt Colony, GF, Greater Kailash Part-I, New Delhi 110048 (owned by Mrs. Ranjana Malhotra); 1st & Exclusive Equitable Mortgage of Industrial Property - Khasra No.57, Killa No.5/2/1, 6/2, 15/2/1/2, Janauli Road, Palwal, Faridabad, Haryana 121102 (owned by Auto Recycling Systems Pvt. Ltd.); Personal Guarantee of Mr. Sanjeev Malhotra (Rs.39.50 crore) and Mr. Sarthak Malhotra (Rs.39.50 crore) and Ranjana Malhotra (Rs. 4.26 crore) |
| 5 | BMW Financial Services | Vehicle Loan (BMW X7 xDrive40i) | 96.60 | 95.86 | 8.74% p.a. (fixed) | 48 monthly EMIs of Rs.1,44,549 each; EMI start 01.03.2026; contract end 01.02.2030. | Hypothecation of vehicle - BMW X7 xDrive40i M Sport, registered in the name of the Company. | Hypothecation of vehicle only; no other collateral. |
| 6 | Bank of India | Vehicle Loan (Toyota Hyryder) | 16.00 | 10.02 | Floating - RBLR + mark-up/credit risk premium (presently 8.85% p.a.), monthly rests | 60 EMIs of Rs.33,098 each, commencing one month after first disbursement. | Hypothecation of vehicle - Toyota Hyryder S E-Drive, registered in the name of the Company. | Hypothecation of vehicle only; personal guarantee of Mr. Sarthak Malhotra and Mr. Sanjeev Malhotra. |
| 7 | ICICI Bank Limited | Vehicle Loan (KIA Seltos) | 17.00 | 15.05 | 9.10% p.a. (fixed) | 84 monthly EMIs of Rs.27,487 each, commencing 10.03.2025. | Hypothecation of vehicle - KIA Seltos, registered in the name of the Company. | Hypothecation of vehicle only. |

**Short Term Borrowing (secured)**

| Sr No. | Lender | Nature of Facility | Loan | Outstanding as on 31st March 2026 | Rate of Interest/Margin | Repayment Term | Security/ Principal terms and | Collateral Security/ other Condition |
|---|---|---|---|---|---|---|---|---|
| 1 | Kotak Mahindra Bank | Cash Credit (with WCDL/SBLC/LC/BG sub-limits) | 3,950.00 | 3,491.47 | Repo Rate + 2.65% (Repo presently 5.50%; effective 8.15% p.a.), floating, reset every 3 months. Margin: 25% on paid stock and 25% on book debts upto 180 days. | Repayable on demand; facility valid/reviewable upto 15.10.2026. | Exclusive charge by way of hypothecation of All Moveable Fixed Assets and Current Assets (existing and future) of the Company. | 1st & Exclusive Equitable Mortgage of Residential Property - Plot No.64, Hemkunt Colony, GF, Greater Kailash Part-I, New Delhi 110048 (owned by Mrs. Ranjana Malhotra); 1st & Exclusive Equitable Mortgage of Industrial Property - Khasra No.57, Killa No.5/2/1, 6/2, 15/2/1/2, Janauli Road, Palwal, Faridabad, Haryana 121102 (owned by Auto Recycling Systems Pvt. Ltd.); Personal Guarantee of Mr. Sanjeev Malhotra (Rs.39.50 crore) and Mr. Sarthak Malhotra (Rs.39.50 crore) and Ranjana Malhotra (Rs. 4.26 crore) |
| 2 | Standard Chartered Bank | Export Invoice Financing (with Overdraft & Short-Term Loan sub-limits) | 1,700.00 | 150.11 | Spread over applicable benchmark for a Rupee facility, as specified by the Bank at the time of each drawdown (rate not pre-fixed in the sanction/facility letter) | Tenor upto 90 days per drawdown; each utilisation repayable on the last day of its term / on due date of the underlying export invoice. | Facility for financing sale of goods to buyers, against export invoices/LCs/purchase orders of approved counterparties (Samvardhana Motherson Auto Component (P) Ltd, CMR Green Technologies Ltd, Sandhar Technologies Ltd); discounting upto 90% of invoice value. Overdraft (Rs.500 lakh) and Short Term Loan (Rs.40 lakh) as inner sub-limits. | First pari-passu charge with Kotak Mahindra Bank on Current Assets and Movable Fixed Assets of the Company; pari-passu charge on Industrial Property at Khewat No.315, Khata No.335 Mustil, Khasra No.57, Kila No.5/2/1 (3-17), 6/2, Faridabad, Palwal, Haryana 121102 (with Kotak Mahindra Bank); Personal Guarantee of Mr. Sanjeev Malhotra and Mr. Sarthak Malhotra. |

**9 Long-terms provisions**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Provision for employee benefits | | | |
| - Gratuity | 5.71 | 3.49 | 1.88 |
| | **5.71** | **3.49** | **1.88** |

**10 Deferred tax asset/liabilities (net)**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| WDV As Per Companies Act 2013 | 1,012.00 | 824.54 | 695.47 |
| WDV As Per Income Tax Act | 833.70 | 697.84 | 613.87 |
| **Difference in WDV** | **178.31** | **126.70** | **81.60** |
| Gratuity Provision | **5.98** | **3.53** | **1.88** |
| Adjustment on account of Section 28 to 44 DA Income tax Act, 1961 | | | |
| **Total Timing Difference** | **184.29** | **130.23** | **83.48** |
| Tax Rate as per Income Tax | 17.16% | 17.16% | 17.16% |
| (DTA) / DTL | 31.62 | 22.35 | 14.33 |
| **Deffered Tax Assets & Liabilities Summary** | | | |
| **Opening Balance of (DTA)/ DTL** | **22.35** | **14.33** | **8.23** |
| Add: Provision for the Year | 9.28 | 8.02 | 6.09 |
| Closing Balance of (DTA)/ DTL | **31.62** | **22.35** | **14.33** |

**Note:** In accordance with Accounting Standard 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the Deferred Tax Liabilities (Net of Assets) is provided in the books of account.

**11 Short-term borrowings**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Cash Credit From ICICI Bank | - | 1,346.62 | 378.23 |
| Bank Overdraft | 3,641.58 | - | - |
| Loan Buyer Credit | - | 543.11 | 861.48 |
| Total | **3,641.58** | **1,889.73** | **1,239.71** |

Note:The Company's term loans and vehicle loans from banks are secured against current assets, movable fixed assets and immovable properties (residential and industrial) of the Company.

**12 Trade payables**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| (a) Total outstanding dues of micro and small enterprises | 327.68 | - | - |
| (b) Total outstanding dues of creditors other than micro and small enterprises | 533.28 | 303.57 | 101.14 |
| ` | **860.96** | **303.57** | **101.14** |

Note: No information was available from creditors in respect of their status of MSME and Non MSME for FY 2023-24 and FY 2024-25. So, no bifurcation of creditors as MSME and Non MSME is available and hence not reported.

**12.1 Ageing schedule of trade payables**

**As on March 31, 2026**

| Particulars | Unbilled | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed dues** | | | | | | |
| - MSME | - | 327.41 | 0.27 | - | - | 327.68 |
| - Others | - | 516.98 | 16.31 | - | - | 533.28 |
| **Disputed dues** | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| **Total** | **-** | **844.39** | **16.57** | **-** | **-** | **860.96** |

**As on March 31, 2025**

| Particulars | Unbilled | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed dues** | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | 303.57 | - | - | - | 303.57 |
| **Disputed dues** | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| **Total** | **-** | **303.57** | **-** | **-** | **-** | **303.57** |

**As on March 31, 2024**

| Particulars | Unbilled | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed dues** | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | 99.75 | 1.39 | - | - | 101.14 |
| **Disputed dues** | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| **Total** | **-** | **99.75** | **1.39** | **-** | **-** | **101.14** |

**12.2 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):**

The amounts due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company.

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| (a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end | 327.68 | - | - |
| (b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end | 7.73 | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period | - | - | - |
| (c) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period | - | - | - |
| (d) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period | - | - | - |
| (e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - | - |
| (g) Further interest remaining due and payable for earlier periods | - | - | - |

Note: The Company has not received information from its suppliers regarding their registration status under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). Accordingly, the disclosures required under the MSMED Act have been made based on the information available with the Company. In the absence of such information, the amount due to Micro and Small Enterprises cannot be separately identified, and hence, the required disclosures in respect of principal and interest amounts have not been furnished.

**13 Other current liabilities**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Current maturity of long term Borrowings | 38.99 | 151.69 | 29.34 |
| Statutory Dues Payable | 39.73 | 39.14 | 1.18 |
| Expenses Payable | 2.75 | 31.02 | 23.04 |
| Employee related payables | 31.90 | 8.80 | 5.19 |
| Advance from Customers | 56.25 | 260.47 | 26.77 |
| **Total** | **169.62** | **491.12** | **85.51** |

**14 Short term Provisions**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Provision for employee benefits** | | | |
| - Gratuity | 0.27 | 0.05 | 0.00 |
| - CSR | 6.30 | 0.77 | - |
| **Current Tax** | 249.32 | 128.21 | 8.19 |
| | - | - | |
| **Total** | **255.89** | **129.03** | **8.20** |

**15 Property, plant and equipment**

| Particulars | Land | Buildings | Furniture and Fittings | Electrical Installations | Office Equipments | Computers | Plant and Machinery | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| **I. Cost/Deemed Cost** | | | | | | | | | |
| **Balance as at April 01, 2023** | **403.12** | **531.07** | **4.89** | **21.14** | **0.46** | **25.21** | **32.42** | **-** | **1,018.30** |
| Additions | - | 47.98 | 1.69 | 0.11 | 4.28 | 5.16 | 43.89 | 19.57 | 122.68 |
| Disposals | - | - | - | - | - | - | - | - | - |
| **Balance as at March 31, 2024** | **403.12** | **579.04** | **6.58** | **21.25** | **4.74** | **30.36** | **76.31** | **19.57** | **1,140.98** |
| Additions | - | 80.56 | 0.04 | 11.72 | 0.27 | 0.45 | 59.97 | 17.07 | 170.08 |
| Disposals | - | - | - | - | - | - | - | - | - |
| **Balance as at March 31, 2025** | **403.12** | **659.60** | **6.63** | **32.97** | **5.01** | **30.81** | **136.29** | **36.63** | **1,311.06** |
| Additions | - | 72.22 | - | - | 0.13 | 5.47 | 39.24 | 122.87 | 239.93 |
| Adjustment for grant received | | (5.93) | | | | | | | (5.93) |
| Disposals | - | - | - | - | - | - | | | - |
| **Balance as at March 31, 2026** | **403.12** | **725.89** | **6.63** | **32.97** | **5.14** | **36.28** | **175.52** | **159.50** | **1,545.06** |
| | | | | | | | | | |
| **II. Accumulated depreciation** | | | | | | | | | |
| **Balance as at April 01, 2023** | **-** | **6.56** | **0.11** | **0.29** | **0.00** | **2.81** | **0.20** | **-** | **9.96** |
| Depreciation expense for the year | - | 17.48 | 0.53 | 2.01 | 0.39 | 9.50 | 2.28 | 0.23 | 32.43 |
| Eliminated on disposal of assets | - | - | - | - | - | - | - | - | - |
| **Balance as at March 31, 2024** | **-** | **24.04** | **0.64** | **2.30** | **0.40** | **12.30** | **2.48** | **0.23** | **42.39** |
| Depreciation expense for the year | - | 19.85 | 0.63 | 2.44 | 0.69 | 9.66 | 5.08 | 2.65 | 41.00 |
| Eliminated on disposal of assets | - | - | - | - | - | - | - | - | - |
| **Balance as at March 31, 2025** | **-** | **43.90** | **1.27** | **4.74** | **1.09** | **21.96** | **7.56** | **2.88** | **83.39** |
| Depreciation expense for the year | - | 21.69 | 0.63 | 3.13 | 0.71 | 7.10 | 6.60 | 6.67 | 46.54 |
| Eliminated on disposal of assets | | | | | | | | | - |
| **Balance as at March 31, 2026** | **-** | **65.59** | **1.90** | **7.87** | **1.80** | **29.07** | **14.16** | **9.55** | **129.94** |
| | | | | | | | | | |
| **III. Net block balance (I-II)** | | | | | | | | | |
| **As on March 31, 2026** | **403.12** | **660.30** | **4.73** | **25.10** | **3.34** | **7.21** | **161.36** | **149.95** | **1,415.12** |
| **As on March 31, 2025** | **403.12** | **615.70** | **5.36** | **28.23** | **3.92** | **8.85** | **128.73** | **33.75** | **1,227.66** |
| **As on March 31, 2024** | **403.12** | **555.00** | **5.95** | **18.95** | **4.34** | **18.06** | **73.83** | **19.33** | **1,098.59** |

(a) There are no impairment losses recognised during the year ended March 31, 2026, March 31, 2025, March 31, 2024

(b) The Company has not revalued its property, plant and equipment as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value

(c) The Company has maintained a detailed fixed asset register on an asset-wise basis in accordance with the requirements of the Companies Act, 2013. The fixed asset register contains the relevant details of individual assets, including description, location, cost, accumulated depreciation and net carrying value. The Company has also carried out the necessary verification/reconciliation of its fixed assets, and no material discrepancies were noted.

(d) The prior period adjustments primarily relate to a grant received in an earlier financial year, which has now been adjusted against the gross block of assets, with the corresponding depreciation recalculated accordingly. Further, the Fixed Asset Register (FAR) has been updated, resulting in certain differences that have been reconciled and adjusted against the gross block.

**16 Long Term Loan and Advances**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Security deposit | 29.76 | 28.79 | 21.29 |
| | - | - | - |
| **Total** | **29.76** | **28.79** | **21.29** |

**17 Inventories**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **At lower of cost or net realisable value** | | | |
| (a) Raw Material | 1,846.86 | 759.30 | 388.81 |
| (b) Finished Goods | 1,528.93 | 853.03 | 282.81 |
| **Total** | **3,375.79** | **1,612.32** | **671.61** |

**18 Trade receivables**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Unsecured, considered good | | | |
| - Outstanding for a period exceeding six months | - | - | - |
| - Others | 2,889.53 | 1,369.28 | 437.01 |
| | 2,889.53 | 1,369.28 | 437.01 |
| Less: Allowance for doubtful debts | - | - | - |
| **Total** | **2,889.53** | **1,369.28** | **437.01** |

**18.1** Considering the inherent nature of business of the Company, Customer credit risk is minimal. The Company generally does not part away with its assets unless trade receivables are fully realised. Wherever there is doubt on recovery, the Company makes adequate provision based on best estimation of recovery.

Based on prior experience and an assessment of the current economic environment, management believes there is no credit risk provision required, other than those made in the accounts, if any. Also the Company does not have any significant concentration of credit risk.

**18.2 Aging of receivables**

**As on March 31, 2026**

| Particulars | Unbilled revenue | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed** | | | | | | | |
| - considered good | 217.86 | 2,574.32 | 40.76 | 56.59 | - | - | **2,889.53** |
| - considered doubtful | | - | - | - | - | - | - |
| **Disputed** | | | | | | | |
| - considered good | | - | - | - | - | - | - |
| - considered doubtful | | - | - | - | - | - | - |
| **Total** | **217.86** | **2,574.32** | **40.76** | **56.59** | **-** | **-** | **2,889.53** |

**As on March 31, 2025**

| Particulars | Unbilled revenue | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed** | | | | | | | |
| - considered good | 10.00 | 1,313.45 | 1.47 | 44.37 | - | - | **1,369.28** |
| - considered doubtful | | | | | | | - |
| **Disputed** | | | | | | | |
| - considered good | | - | - | - | - | - | - |
| - considered doubtful | | - | - | - | - | - | - |
| **Total** | **10.00** | **1,313.45** | **1.47** | **44.37** | **-** | **-** | **1,369.28** |

**As on March 31, 2024**

| Particulars | Unbilled revenue* | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 Years | 2-3 years | More than 3 years | |
| **Undisputed** | | | | | | | |
| - considered good | | 436.49 | 0.52 | - | - | - | **437.01** |
| - considered doubtful | | | | | | | - |
| **Disputed** | | | | | | | |
| - considered good | | - | - | - | - | - | - |
| - considered doubtful | | - | - | - | - | - | - |
| **Total** | | **436.49** | **0.52** | **-** | **-** | **-** | **437.01** |

*** There is no Unbilled Revenue**

**19 Cash and bank balances**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **a. Cash and cash equivalents** | | | |
| Cash In Hand | 3.46 | 18.70 | 8.87 |
| Balances With Banks In Current Accounts | 142.52 | 0.01 | - |
| **b. Bank balances other than cash and cash equivalents** | | | |
| Term deposits with banks (with original maturity of more than three months but less than twelve months) | 44.67 | 119.60 | 142.50 |
| **Total** | **190.65** | **138.31** | **151.37** |

**20 Short Term Loan and Advances**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Others** | | | |
| Advance Paid To Suppliers | 291.75 | 381.39 | 116.36 |
| Advance Others | 0.07 | - | 0.07 |
| Advances paid to Employees | 4.25 | | - |
| Balance with Revenue Authorities | 76.76 | 51.19 | 113.80 |
| Tds/Tcs Receivable | 34.81 | 53.76 | 5.95 |
| **Total** | **407.65** | **486.34** | **236.18** |

Note: "Advances to Suppliers" includes advance given to related parties and it have been given in the ordinary course of business towards procurement of goods. These advances are interest-free and are considered good and recoverable in the normal course of business and necessary disclosures have been made in the relevant note on related party transactions.. The balances are subject to confirmation and reconciliation. The related party to whom advance given is detailed below:

1. Auto Recycling Services LLP
2. Sarthak International Limited
3. Sripa & R D Ventures Private Limited

The nature, transaction amount and outstanding balances are disclosed in note no. 34

**21 Other Current assets**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Interest Accrued and due | 2.30 | 1.38 | 3.03 |
| Prepaid Insurance | 0.78 | 0.45 | 4.85 |
| Balances recoverable from bank | - | - | 4.53 |
| **Total** | **3.08** | **1.83** | **12.41** |

**22 Revenue from operations**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Sale of Goods | 25,667.19 | 14,421.53 | 5,268.67 |
| **Total** | **25,667.19** | **14,421.53** | **5,268.67** |

**23 Other income**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| **Interest Income** | | | |
| Interest on Fixed Deposit | 4.92 | 7.65 | 6.54 |
| Interest On Security Deposit | 0.59 | 0.71 | - |
| | **5.52** | **8.36** | **6.54** |
| **Other gains and losses** | | | |
| Profit on Foreign Exchange | - | 24.26 | - |
| | **-** | **24.26** | **-** |
| **Other non-operating income** | | | |
| Miscellaneous Income | 2.86 | 0.05 | 0.67 |
| Rent Income from related party | 80.00 | 66.00 | 12.00 |
| Earlier Year Tax Adjustment | - | 4.32 | - |
| | **82.86** | **70.37** | **12.67** |
| **Total** | **88.38** | **102.98** | **19.21** |

*** refer note 34 for related party transactions**

**24 Cost of Goods Consumed**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Opening Stock | 759.30 | 388.81 | 370.94 |
| Purchases | 24,286.55 | 13,402.32 | 4,880.85 |
| Consumables | 480.13 | 435.66 | 100.76 |
| Import Expenses | 103.40 | 115.77 | 171.95 |
| Freight & cartage Inward | 0.51 | 0.33 | - |
| | 25,629.88 | 14,342.88 | 5,524.50 |
| Less: Closing Stock | 1,846.86 | 759.30 | 388.81 |
| **Total** | **23,783.02** | **13,583.59** | **5,135.69** |

**25 Changes in inventories of finished goods/Stock in Trade**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Inventories at the beginning of the year | 853.03 | 282.81 | - |
| Inventories at the end of the year | 1,528.93 | 853.03 | 282.81 |
| **Net (increase)/decrease** | **(675.90)** | **(570.22)** | **(282.81)** |

**26 Employee benefits expense**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Salaries, Wages & Allowances | 108.28 | 93.55 | 63.36 |
| Director Remuneration Exp. | 18.00 | 16.50 | 12.00 |
| Staff Welfare | 10.01 | 14.46 | 19.52 |
| Medical Expenses | 0.28 | 0.22 | 0.43 |
| Compensation | 8.50 | - | - |
| Employer's Contribution to ESI | 0.12 | 0.12 | 0.07 |
| Employer's Contribution to EPF | 0.30 | 0.28 | 0.18 |
| Gratuity (Refer note 30) | 2.45 | 1.65 | 1.76 |
| **Total** | **147.94** | **126.78** | **97.32** |

**Refer note 34 for directors remuneration**

**27 Finance cost**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Interest paid to bank | 242.78 | 155.81 | 77.85 |
| Interest on Statutory Liabilities | 10.47 | 0.11 | 0.24 |
| Loan Processing Charges | 16.47 | 5.37 | 11.02 |
| **Total** | **269.71** | **161.29** | **89.11** |

**28 Depreciation and amortisation expenses**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Depreciation of property, plant and equipment | 46.54 | 41.00 | 32.43 |
| **Total** | **46.54** | **41.00** | **32.43** |

**29 Other expenses**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| **Direct Expenses** | | | |
| Power & Fuel Expenses | 227.64 | 21.20 | 12.96 |
| Contract Wages Expenses | 199.52 | 118.14 | 68.75 |
| Repair And Maintanance | 65.87 | 19.05 | 5.06 |
| Freight and Cartage Outward | 106.16 | 75.52 | 15.44 |
| **Indirect Expenses** | | | |
| Forklift Expense | 0.02 | - | 2.26 |
| Water Expense | 1.86 | 1.05 | 0.28 |
| Audit Fee | 2.75 | 2.00 | 0.60 |
| Bank Charges | 2.62 | 1.45 | 1.06 |
| CSR Expenses | 5.53 | 0.77 | - |
| Rent | 1.22 | 10.02 | 1.13 |
| Loading Unloading Charge | 0.86 | 6.36 | 0.03 |
| Weight Charge | 0.14 | 0.19 | 0.18 |
| Testing Charges | 0.97 | 0.60 | 0.04 |
| Commission | - | 76.44 | 1.38 |
| Rates and Taxes | 10.53 | 1.65 | - |
| Festival Expenses | 1.51 | 4.43 | 1.13 |
| Telephone & Internet Expenses | 0.40 | 0.46 | 0.34 |
| Legal & Professional Charges | 95.66 | 9.51 | 10.28 |
| Loss on Foreign Exchange | 50.00 | - | 12.93 |
| ROC/ Annual Filling Fees | 0.12 | 0.13 | 0.24 |
| Printing & Stationery | 1.22 | 1.21 | 0.67 |
| Insurance | 1.40 | 4.93 | 10.43 |
| Vehicle Running & Maintenance Expenses | 0.46 | 1.60 | 1.67 |
| Conveyance Exp. | 2.28 | 3.49 | 3.25 |
| Donation Expenses | 0.39 | - | 0.10 |
| Office Expenses | 0.42 | 0.74 | 1.89 |
| Membership & Subscription fees | 7.99 | 0.89 | 1.18 |
| Security Expenses | 10.88 | 12.41 | 11.37 |
| Travelling Expenses | 9.21 | 21.58 | 14.26 |
| **Total** | **807.63** | **395.81** | **178.90** |

| **29.1 Auditors remuneration and out-of-pocket expenses (net of GST):** | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| (i) For audit | 2.75 | 2.00 | 0.60 |
| (ii) For taxation matters | - | - | - |
| (v) Auditors out-of-pocket expenses | - | - | - |
| **Total** | **2.75** | **2.00** | **0.60** |

**29.2 Expenses on corporate social responsibility**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Amount Required to be spend by the company during the year | 5.53 | 0.77 | - |
| Spent during the period | - | - | - |
| Shortfall at the end of the period | 5.53 | 0.77 | - |
| Total of previous year shortfall | 0.77 | - | - |
| Total unspent CSR amount | 6.30 | 0.77 | |
| Reason for Shortfall | Pending identification of eligible trust/fund | Pending identification of eligible trust/fund | - |
| Nature of CSR Activities | Donation to Eligible Trust/Fund for the activities specified under schedule VII of Companies Act, 2013. | Donation to Eligible Trust/Fund for the activities specified under schedule VII of Companies Act, 2013. | - |
| Details of related party transactions, e.g. contribution to trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard | NIL | NIL | - |
| Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately | No | No | - |
| Excess amount spent as per Section 135(5) | - | - | - |
| Excess carry forward | - | - | - |

**Movement of CSR Provision**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Opening Provision for the year | 0.77 | - | - |
| Add: Current year obligation | 5.53 | 0.77 | - |
| Less: Spent during the year | - | - | - |
| Shortfall at the end of the year | **6.30** | **0.77** | - |

## 30 Current Tax and Deferred Tax

**Income Tax Expense recognised in statement of profit and loss**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| **Current Tax:** | | | |
| Current income tax charge | 245.33 | 140.43 | 2.46 |
| Short provision of tax relating to earlier years | - | - | - |
| | **245.33** | **140.43** | **2.46** |
| **Deferred Tax expense/ (credit)** | | | |
| In respect of current period | 9.28 | 8.02 | 6.09 |
| | **9.28** | **8.02** | **6.09** |
| | | | |
| **Total tax expense/(credit) recognised in statement of profit and loss** | **254.61** | **148.45** | **8.56** |

## 31 Restated Earning per share

**The following reflects the profit and share data used in the basic and diluted EPS calculations:**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Profit after Tax (a) | 1,122.02 | 637.81 | 28.69 |
| Present Number of equity shares | 80,00,000 | 80,00,000 | 80,00,000 |
| Weighted average number of Equity shares (b) | 80,00,000 | 80,00,000 | 80,00,000 |
| Par value per share (₹) | 10 | 10 | 10 |
| Basic earnings per share (a/b) | 14.03 | 7.97 | 0.36 |
| Diluted Earning per Share (a/b) | 14.03 | 7.97 | 0.36 |

* Retrospective adjustment for Bonus Share in Comparative figures as per AS 20 Earning per share.

## 32 Segment information

For management purposes, the Company is into one reportable segment i.e. Wholesale Trading Business

The Managing Director is the Chief Operating Decision Maker of the Company who monitors the operating results of the Company for the purpose of making decisions about resource allocation and performance assessment. The Company's performance as single segment is evaluated and measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis

### 32.1 Geographical information

The Company operates in one geographical environment only i.e. in India.
The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

| Particulars | Revenue from External Customers | | |
|---|---|---|---|
| | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
| Within India | 25,667.19 | 14,421.53 | 5,268.67 |
| Outside India | - | - | - |
| **Total** | **25,667.19** | **14,421.53** | **5,268.67** |

| Particulars | Non-current Assets | | |
|---|---|---|---|
| | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
| Within India | 1,444.88 | 1,256.46 | 1,119.88 |
| Outside India | - | - | - |
| **Total** | **1,444.88** | **1,256.46** | **1,119.88** |

**32.2** The reporting segment includes a number of sales operations in various cities within India each of which is considered as a separate operating segment by the CODM. For financial statements presentation purposes, these individual operating segments have been aggregated into a single reportable operating segment taking into account the following factors:

- these operating segments have similar long-term gross profit margins;
- the nature of the products and production processes are similar; and
- the methods used to distribute the products to the customers are the same.

## 33 Employee benefit plans

**(A) Principal actuarial assumptions used:**

The principal assumptions used for the purposes of the actuarial valuations were as follows.

| Particulars | Gratuity (Unfunded) | | |
|---|---|---|---|
| | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
| 1. Discount rate - Company | 7.90% | 7.04% | 7.25% |
| 2. Salary escalation - Company | 7.00% | 7.00% | 7.00% |

**(B) Demographic Assumption**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| i) Retirement Age (Years) | 60 | 60 | 60 |
| ii) Mortality rates inclusive of provision for disability | 100% of Indian Assured Lives Mortality (2012-14) Ult. | | |
| iii) Attrition at Ages (Withdrawal Rate per Annum) | 10 | 10 | 10 |

**(C) Expenses recognised in profit and loss**

| Particulars | Gratuity (Unfunded) | | |
|---|---|---|---|
| | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
| Service cost: | | | |
| Current service cost | 2.53 | 1.96 | 1.24 |
| Net Interest cost | 0.25 | 0.14 | 0.01 |
| Actuarial (gains)/losses on obligation for the year | | | |
| - Due to changes in demographic assumptions | - | - | - |
| - Due to changes in financial assumptions | (0.40) | 0.05 | 0.02 |
| - Due to experience adjustment | 0.07 | (0.50) | 0.50 |
| **Components of defined benefit cost recognised in profit or loss** | **2.45** | **1.65** | **1.76** |

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' line item in the Statement of profit and loss.

**(D) Net interest cost recognised in profit or loss:**

| Particulars | Gratuity (Unfunded) | | |
|---|---|---|---|
| | For year ended March 31, 2026 | For year ended March 31, 2025 | Gratuity (Unfunded) |
| Interest cost | 0.25 | 0.14 | 0.01 |
| Interest income | | | - |
| **Net interest cost recognised in profit or loss** | **0.25** | **0.14** | **0.01** |

**(E) Amount recognised in the balance sheet**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Present value of defined benefit obligation as at the end of the year | 5.98 | 3.53 | 1.88 |
| Fair value of plan assets | - | - | - |
| | **5.98** | **3.53** | **1.88** |

**(F) Net asset/(liability) recognised in the balance sheet**

| Recognised under: | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Long term provision | 5.71 | 3.49 | 1.88 |
| Short term provision | 0.27 | 0.05 | 0.00 |
| **Total** | **5.98** | **3.53** | **1.88** |

**(G) Movements in the present value of defined benefit obligation are as follows:**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Opening defined benefit obligation | 3.53 | 1.88 | 0.13 |
| Transfer in/(out) obligation | - | - | - |
| Current service cost | 2.53 | 1.96 | 1.24 |
| Interest cost | 0.25 | 0.14 | 0.01 |
| Actuarial losses / (Gain) | (0.33) | (0.45) | 0.51 |
| Benefits paid from the fund | - | - | - |
| **Closing defined benefit obligation** | **5.98** | **3.53** | **1.88** |

## 34 Related party disclosures

### 34.1 Details of related parties

| Description of relationship | Name of the related party |
|---|---|
| **Key management personnel** | |
| - Chairman And Managing Director | Sanjeev Malhotra |
| - Wholetime Director | Sarthak Malhotra |
| - Non-Executive Director | Ranjana Malhotra |
| - Company Secretary w.e.f. 10.04.2026 | Jyoti Bala Soni |
| - CFO w.e.f. 10.04.2026 | Meenakshi Gupta |
| **Relatives of key management personnel (where transactions have taken place)** | Prerna Malhotra |
| **Enterprises over which key management personnel is able to exercise significant influence (where transactions have taken place)** | Auto Recycling Services LLP<br>Sarthak International Limited<br>Indo Australian Enterprise Pty Ltd<br>Sripa RD Ventures Private Limited |

### 34.2 Transactions during the year with related parties

| S. No. | Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| **A** | **Key management personnel** | | | |
| **I** | **Sanjeev Malhotra** | | | |
| | Unsecured Loan Received | - | - | 2.11 |
| | Unsecured Loan Repayment | - | - | 61.15 |
| | Reimbursement | 28.31 | 1.46 | |
| **II** | **Sarthak Malhotra** | | | |
| | Managerial Remuneration | 18.00 | 16.50 | 12.00 |
| | Unsecured Loan Received | 208.12 | 103.32 | 33.89 |
| | Unsecured Loan Repayment | 208.40 | 24.90 | 2.00 |
| | Reimbursement | 4.19 | 2.62 | 31.83 |
| **III** | **Ranjana Malhotra** | | | |
| | Unsecured Loan Received | 128.00 | 507.01 | - |
| | Unsecured Loan Repayment | 134.00 | 310.50 | - |
| **B** | **Enterprises over which key management personnel is able to exercise** | | | |
| **I** | **Sarthak International Limited** | | | |
| | Loan & Advances recoverable | - | 10.00 | - |
| **II** | **Auto Recycling Services LLP** | | | |
| | Unsecured Loan Repayment | - | - | 1.68 |
| | Unsecured Loan Received | - | - | 1.48 |
| | Advance paid to supplier | 18.77 | 103.47 | 14.89 |
| | Advance repaid by supplier | 137.13 | - | - |
| | | - | | |
| | Purchase of Service ( Rent/Storage Charges Received ) | | 9.00 | - |
| | Purchase of Goods | - | 46.03 | - |
| | Reimbursement | - | 6.75 | 15.86 |
| **III** | **Sripa RD Ventures Private Limited** | | | |
| | Sales of Goods | - | - | 127.62 |
| | Sales of Service ( Rent/Storage Charges Received ) | 80.00 | 66.00 | 12.00 |
| | Purchase | - | 262.65 | 258.59 |
| | Advance paid to supplier | - | 258.61 | - |
| **IV** | **Indo Australian Enterprise Pty Ltd** | | | |
| | Purchase | 498.96 | 1,312.30 | 1,531.63 |

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the related party transactions are reviewed and approved by board of directors.

**34.3 Amounts outstanding with related parties**

| S. No. | Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|---|
| **A** | **Key management personnel** | | | |
| **I** | **Sanjeev Malhotra** | | | |
| | Loan Payable | 68.76 | 68.76 | 68.76 |
| **II** | **Sarthak Malhotra** | | | |
| | Loan Payable | 190.04 | 190.32 | 111.90 |
| | Remunaration Payable | 24.83 | 12.58 | - |
| | | | | - |
| **III** | **Ranjana Malhotra** | | | - |
| | Loan Payable | 249.01 | 255.01 | 58.50 |
| | | | | - |
| **IV** | **Prena Malhotra** | | | - |
| | Loan Payable | 15.00 | 15.00 | 15.00 |
| **B** | **Enterprises over which key management personnel is able to exercise** | | | |
| **I** | **Sarthak International Limited** | | | |
| | Advance paid to suppliers | 10.00 | 10.00 | - |
| **II** | **Auto Recycling Services LLP** | | | |
| | Advance paid to suppliers | - | 118.37 | 14.89 |
| **III** | **Sripa RD Ventures Private Limited** | | | |
| | Trade Payable | - | 3.59 | - |
| | Trade Receivable | 317.29 | - | 137.91 |
| | Advance paid to suppliers | - | 199.72 | - |
| **IV** | **Indo Australian Enterprise Pty Ltd** | | | |
| | Trade Payable | 68.41 | 14.96 | 52.05 |

## 35 Additional Notes forming part of Restated Financial Statement

### 35.1 Contingent Liabilities

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **I. Contingent Liabilities** | | | |
| (a) Disputed GST demand (Order for Determination of Tax under the GST Act), not acknowledged as debt | 927.06 | - | - |
| (b) Disputed Income Tax demands, not acknowledged as debt | - | - | - |
| (c) Disputed TDS demands, not acknowledged as debt | - | - | - |
| **Total Contingent Liabilities** | **927.06** | **-** | **-** |
| **II. Commitments** | | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - | - |
| (b) Uncalled liability on shares and other investments partly paid | - | - | - |
| (c) Other capital commitments | - | - | - |

Note: During the year ended March 31, 2026, the Company received an Order for Determination of Tax under the Goods and Services Tax (GST) Act involving a disputed demand of ₹ 927.06 Lakhs related to FY 2024-25. The Company has disputed the demand and filed an appeal before the GST appellate authority. Based on management's assessment, no provision has been recognised in the financial statements, and the disputed demand has been disclosed as a contingent liability.

### 35.2 Value of imports calculated on C.I.F basis by the company during thefinancial year in respect of –

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| I. Raw materials; | 977.36 | 1,709.15 | 1,848.07 |
| II. Components and spare parts; | - | - | - |
| III. Capital goods; | - | - | - |

### 35.3 Earnings in Foreign Currency

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Export of goods calculated on F.O.B. basis; | - | - | - |
| Royalty, know-how, professional and consultation fees; | - | - | - |
| Interest and dividend; | - | - | - |
| Other income, Rebate on Contract-Basell | - | - | - |

### 35.4 Expenditure in foreign currency –

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Communication | - | 0.44 | - |
| Travelling Expenses | 6.22 | 14.56 | 11.03 |
| other matters (Import purchases) | 977.36 | 1,709.15 | 1,848.07 |

**36 Other Statutory Information**

**36.1** The Company has not revalued its Property, Plant and Equipment, during the period covered under RFS.

**36.2** The Company has not granted loans and advances in the nature of loans are granted to promoters, Directors, KMP's and the related parties ( as defined under Companies Act, 2013), either Severally or Jointly with any other person.

**36.3** The Company does not have any Capital work-in-progress.

**36.4** The Company does not have any Intangible assets under development.

**36.5** The Company does not own benami properties. Further, there are no proceedings which have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**36.6** There are no bank or financial institution or other lender declared to Company a wilful defaulter during the period covered under RFS.

**36.7 Relationship with struck-off companies**

The Company does not have any transactions with companies struck- off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**36.8** The Company has not delayed the registration of charges under the Companies Act, 2013, except in one case each during FY 2023–24 and FY 2024–25.

**36.9 Compliance with number of layers of companies**

The Company 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.

**36.10** There were no Scheme of Arrangements entered by the Company during each reporting period, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

**36.11 Undisclosed Income**

The Company has no such transaction which is not recorded in the books of account 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).

**36.12** The Company has not traded or invested in Crypto currency or Virtual Currency during each reporting period.

**36.13** The Company 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:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**36.14 Code of Social Security, 2020**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. the Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

**36.15** In the opinion of the Board of Directors of the Company, all items of 'Current assets, loans and advances' continue to have a realizable value of at least the amounts at which they are stated in the Balance Sheet, unless otherwise stated.

**36.16** There has been no change in the accounting policies followed by the Company during the period under review. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous financial year/period.

**36.17** The Company in neither a Subsidiary nor Holding company of any other Company / Companies.

**36.18** All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs or decimals thereof as per the requirement of Schedule III, unless otherwise stated.

**36.19** Information pursuant to Division I of Revised Schedule III of the Companies Act, 2014 are given to the extent they are applicable to the Company.

**36.20** The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

**37 Ratio Analysis and its elements**

Where any one or both the components of ratios are extracted from statement of profit and loss, the ratios are provided for the year ended March 31, 2026, March 31, 2025 and March 31, 2024. However, where both the components of ratio are extracted from the Balance sheet, the ratios are provided for all the periods (i.e., as at March 31, 2026, March 31, 2025 and March 31, 2024)

**a) Current Ratio = Current assets divided by Current liabilities**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Current assets | 6,866.69 | 3,608.09 | 1,508.58 |
| Current liabilities | 4,928.06 | 2,813.44 | 1,434.56 |
| **Ratio (In times)** | **1.39** | **1.28** | **1.05** |
| **% Change from previous year** | **8.59%** | **21.90%** | **47.89%** |

**Reason for change more than 25%:**

Increase in current ratio in FY 2023–24 is primarily attributable to higher growth in current assets, particularly inventories and trade receivables, compared to the increase in current liabilities.

**b) Return on Equity Ratio = Net profit after tax divided by average equity**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Net profit after tax | 1,122.02 | 637.81 | 28.69 |
| Average Shareholder's Equity * | 2,042.21 | 1,158.73 | 722.41 |
| **Ratio** | **0.55** | **0.55** | **0.04** |
| **% Change from previous year** | **-0.19%** | **1286.18%** | **122.16%** |

*Average equity represents the average of opening and closing total equity.

**Reason for change more than 25%:**

FY 24-25- Further increase in return on equity is driven by substantial rise in profitability, which has outpaced the growth in shareholders' equity.

FY 23-24- Increase in return on equity is primarily attributable to significant growth in net profit after tax during the year compared to the relatively lower equity base.

**c) Inventory Turnover Ratio = Cost of Goods Sold divided by average inventory**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Cost of Goods Sold | 23,107.12 | 13,013.37 | 4,985.87 |
| Average Inventory | 2,494.06 | 1,141.97 | 521.28 |
| **Ratio (In times)** | **9.26** | **11.40** | **9.56** |
| **% Change from previous year** | **-18.70%** | **19.14%** | |

**d) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Sales | 25,667.19 | 14,421.53 | 5,135.69 |
| Average Trade Receivables | 2,129.41 | 903.15 | 218.50 |
| **Ratio (In times)** | **12.05** | **15.97** | **23.50** |
| **% Change from previous year** | **-24.51%** | **-32.06%** | **-** |

**Reason for change more than 25%:**

In FY 24-25 Decline in trade receivables turnover ratio is primarily attributable to significant increase in average trade receivables compared to growth in sales, indicating relatively longer collection period.

**e) Trade payables turnover ratio = Credit purchases divided by average trade payables**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Contract Cost | 25,670.06 | 14,347.66 | 5,331.40 |
| Average Trade Payables | 582.26 | 202.35 | 198.24 |
| **Ratio (In times)** | **44.09** | **70.90** | **26.89** |
| **% Change from previous year** | **-60.83%** | **62.07%** | |

**Reason for change more than 25%:**

FY 2025-26: Sharp decline in trade payables turnover ratio is mainly due to substantial increase in average trade payables compared to contract cost.

FY 2024–25: Further increase in trade payables turnover ratio is driven by higher purchases/contract cost, indicating faster settlement of payables.

FY 2023–24: Increase in trade payables turnover ratio is primarily attributable to significant rise in contract cost in line with increased operations, compared to relatively lower increase in average trade payables.

**f) Net Capital Turnover Ratio = Sales divided by Net Working capital**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Sales (A) | 25,667.19 | 14,421.53 | 5,268.67 |
| Current Assets (B) | 6,866.69 | 3,608.09 | 1,508.58 |
| Current Liabilities (C) | 4,928.06 | 2,813.44 | 1,434.56 |
| Net Working Capital (D = B - C) | 1,938.64 | 794.65 | 74.02 |
| Avg Working Capital | 1,366.64 | 434.34 | (71.90) |
| **Ratio (In times) (E = A / D)** | **18.78** | **33.20** | **-73.28** |
| **% Change from previous year** | **-43.44%** | **-145.31%** | |

**Reason for change more than 25%:**
Due to increase in sudden demand, Turnover Increased.

**g) Net profit ratio = Net profit before tax divided by Sales**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| Net Profit | 1,122.02 | 637.81 | 28.69 |
| Sales | 25,667.19 | 14,421.53 | 5,268.67 |
| **Ratio** | **4.37%** | **4.42%** | **0.54%** |
| **% Change from previous year** | **-1.16%** | **712.28%** | |

**Reason for change more than 25%:**
Due to increase in sudden demand, Turnover Increased and corresponding Prices increased

**h) Return on Capital employed (pre -tax) = Earnings before interest and taxes (EBIT) divided by average Capital Employed**

| Particulars | For year ended March 31, 2026 | For year ended March 31, 2025 | For year ended March 31, 2024 |
|---|---|---|---|
| EBITDA | 1,604.50 | 885.57 | 139.57 |
| Less: Depreciation | (46.54) | (41.00) | (32.43) |
| **EBIT (C) = (A) + (B)** | **1,557.96** | **844.57** | **107.15** |
| Shareholder's Equity | 2,603.28 | 1,481.14 | 836.32 |
| Total Debt | 4,423.48 | 2,585.56 | 1,610.43 |
| **Average Capital Employed** | **7,026.76** | **4,066.70** | **2,446.74** |
| | | | |
| **Ratio (In %)** | **22.17%** | **20.77%** | **4.38%** |
| **% Change from previous year** | **6.76%** | **374.25%** | |

**Reason for change more than 25%:**
Due to increase in sudden demand, Turnover Increased and corresponding Prices increased

**i) Debt Equity ratio = Total debts divided by Total Equity**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Total Debts | 4,423.48 | 2,585.56 | 1,610.43 |
| Shareholder's funds | 2,603.28 | 1,481.14 | 836.32 |
| **Ratio (In %)** | **1.70** | **1.75** | **1.93** |
| **% Change from previous year** | **-2.66%** | **-9.35%** | |

**Reason for change more than 25%:**
Due to increase in Profits & Loans.

**j) Debt service coverage ratio= Earnings available for debt services dividend by total interest and principal repayments.**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Profit before tax (A) | 1,376.63 | 786.26 | 37.24 |
| **Add: Non cash operating expenses and finance cost** | | | |
| -Depreciation and amortisation (B) | 46.54 | 41.00 | 32.43 |
| -Finance cost (C) | 269.71 | 161.29 | 89.11 |
| **Earnings available for debt services (D = A+B+C)** | **1,692.88** | **988.55** | **158.78** |
| | | | |
| **Debt service** | | | |
| Interest (E) | 269.71 | 161.29 | 89.11 |
| Total Interest | **269.71** | **161.29** | **89.11** |
| | | | |
| **Ratio (In times) (F = D/ E)** | **6.28** | **6.13** | **1.78** |
| **% Change from previous year** | **2.41%** | **243.98%** | **NA** |

**k) Return on Investments**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Net Profit | 1,122.02 | 637.81 | 28.69 |
| Investment | - | - | - |
| **Ratio (In %)** | **NA** | **NA** | **NA** |
| **% Change from previous year** | | **NA** | **NA** |

**38 Details of Accounting Ratios as Restated**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Net Worth (A)** | 2,603.28 | 1,481.14 | 836.32 |
| | | | |
| Profit Before Tax | 1,376.63 | 786.26 | 37.24 |
| Add: Finance Cost | 269.71 | 161.29 | 89.11 |
| Add: Depreciation and Amortisation | 46.54 | 41.00 | 32.43 |
| Less: Other Income | (88.38) | (102.98) | (19.21) |
| **Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)** | 1,604.50 | 885.57 | 139.57 |
| | | | |
| Restated Profit after tax | 1,122.02 | 637.81 | 28.69 |
| Add: Prior Period Item | - | - | - |
| **Adjusted Profit after Tax(B)** | 1,122.02 | 637.81 | 28.69 |
| | | | |
| Number of Equity Share outstanding as on the End of Year/Period (C) | 80,00,000 | 80,00,000 | 80,00,000 |
| Weighted average no of Equity shares as on the end of the period year(D) | | | |
| -Pre Bonus (D(i)) | 80,00,000 | 80,00,000 | 80,00,000 |
| -Post Bonus (D(i)) | 80,00,000 | 80,00,000 | 80,00,000 |
| Restated Basic & Diluted Earnings Per Share (In Rs.) (B/D) | | | |
| - Pre Bonus (B/D(i)) - Basic | 14.03 | 7.97 | 0.36 |
| - Pre Bonus (B/D(i)) - Diluted | 14.03 | 7.97 | 0.36 |
| | | | |
| - Post Bonus (B/D(ii)) - Basic | 14.03 | 7.97 | 0.36 |
| - Post Bonus (B/D(ii)) - Diluted | 14.03 | 7.97 | 0.36 |
| | | | |
| Return on Net worth (%) (B/A) | 43.10% | 43.06% | 3.43% |
| Net asset value per share (A/D(i)) (Pre Bonus) (In Rs.) | 32.54 | 18.51 | 10.45 |
| Net asset value per share (A/D(ii)) (Post Bonus) (In Rs.) | 32.54 | 18.51 | 10.45 |

Notes:-

1. The ratios have been Computed as per the following formulas

(i) Basic Earnings per Share

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year / period}}$$

(ii) Net Asset Value (NAV) per Equity Share

$$\frac{\text{Restated Net Worth of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Net Worth of Equity Share Holders}}$$

2. EBITDA represents Earnings (orProfit/(Loss)) before Finance Costs, Income Taxes, and Depreciation and Amortization Expenses. Extraordinary and Exceptional Items have been considered in the calculation of EBITDA as they were expense items.

3. Net Profit as restated, as appearing in the Statement of Profit and Losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Restated Financial Information of the Company.

4. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earning per Share", issued by the Institute of Chartered Accountants of India.

5. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting fact or is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

**Auto Recycling Systems Limited**
**(Previously known as Auto Recycling Systems Private Limited)**
**Notes to the Restated Financial Statements**
**All amounts are ₹ in Lakhs unless otherwise stated**

## 39 STATEMENT OF CAPITALISATION

| Particulars | Pre-Offer | Post-Offer |
|---|---|---|
| Debt | | |
| - Short Term Debt | 3,641.58 | - |
| - Long Term Debt | 781.90 | - |
| **Total Debt** | 4,423.48 | - |
| **Shareholders' Fund (Equity)** | | |
| - Share Capital | 800.00 | - |
| - Reserves & Surplus | 1,803.28 | - |
| - Less: Miscellaneous Expenses not W/off | - | - |
| **Total Shareholders' Fund (Equity)** | 2,603.28 | |
| Long Term Debt / Equity (In Ratio) | 0.30 | - |
| Total Debt / Equity (In Ratio) | 1.70 | - |

**Notes:-**

1. Short Term Debts represent which are expected to be paid/payable within 12 months and exclude installments of Term Loans repayable within 12 months.
2. Long Term Debts represent debts other than Short Term Debts as defined above but include installments of Term Loans repayable within 12 months grouped under other current liabilities.
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2026.
4. The post issue capitalization will be determined only after the completion of the allotment of Equity Shares.

**Auto Recycling Systems Limited**
**(Previously known as Auto Recycling Systems Private Limited)**
**Notes to the Restated Financial Statements**
**All amounts are ₹ in Lakhs unless otherwise stated**

**40. Statement of Tax Shelters**

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| Profit before tax as per Books (A) | 1,376.63 | 786.26 | 37.24 |
| Income Tax Rate* (%) | 17.160% | 17.160% | 17.160% |
| MAT Rate* (%) | N.A. | N.A. | N.A. |
| Tax at notional rate on profits | 236.23 | 134.92 | 6.39 |
| **Adjustments** | | | |
| **Permanent Differences (B)** | | | |
| *Expenses disallowed under Income Tax Act, 1961* | | | |
| - Fines & Penalty | - | - | - |
| - Donation & CSR | 5.92 | 0.77 | 0.10 |
| - Interest on TDS, GST, Customs and Income tax | 10.47 | 0.11 | 0.24 |
| Disallowance under section 36 | | | |
| - EPF & ESI Employee Share | 0.32 | 0.31 | 0.20 |
| **Total Permanent Differences (B)** | 16.71 | 1.19 | 0.54 |
| Income considered separately (C) | | | |
| Interest Income | 5.52 | 8.36 | 6.54 |
| **Total Income considered separately (C)** | 5.52 | 8.36 | 6.54 |
| **Timing Differences (D)** | | | |
| Depreciation as per Companies Act, 2013 | 46.54 | 41.00 | 32.43 |
| Depreciation as per Income Tax Act, 1961 | (98.17) | (86.10) | (76.14) |
| Gratuity | 2.45 | 1.65 | 1.76 |
| **Total Timing Differences (D)** | (49.18) | (43.45) | (41.96) |
| Net Adjustments E = (B+C+D) | (26.95) | (33.91) | (34.89) |
| Tax Expense/ (Saving) thereon | (4.62) | (5.82) | (5.99) |
| **Income from Other Sources (F)** | 80.00 | 66.00 | 12.00 |
| **Set-off from Brought Forward Losses (G)** | - | - | - |
| Taxable Income/(loss) as per Income Tax (A+E+F+G) | 1,429.68 | 818.35 | 14.36 |
| **Set-off from Brought Forward Losses for MAT (H)** | - | - | - |
| **Taxable Income/(Loss) as per MAT (A+H)** | 1,376.63 | 786.26 | 37.24 |
| **Income Tas as returned/computed** | 245.33 | 140.43 | 2.46 |
| **Tax paid as per Normal or MAT** | Normal | Normal | Normal |

*The Company has opted for Income tax rates specified under section 115BAA of Income Tax Act, 1961.

## OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11(II)(B) of Part A of Schedule VI of the SEBI ICDR Regulations, as derived from the Restated Financial Statements, are given below:

*(₹ In Lakhs except Percentage and Ratio)*

| Particulars | As at March 31, 2026 | As at March 31, 2025 | As at March 31, 2024 |
|---|---|---|---|
| **Net Worth (A)** | **2,603.28** | **1,481.14** | **836.32** |
| Profit Before Tax | 1,376.63 | 786.26 | 37.24 |
| Add: Finance Cost | 269.71 | 161.29 | 89.11 |
| Add: Depreciation and Amortisation | 46.54 | 41.00 | 32.43 |
| Less: Other Income | (88.38) | (102.98) | (19.21) |
| **Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)** | **1,604.50** | **885.57** | **139.57** |
| Restated Profit after tax | 1,122.02 | 637.81 | 28.69 |
| Add: Prior Period Item | - | - | - |
| **Adjusted Profit after Tax (B)** | **1,122.02** | **637.81** | **28.69** |
| Number of Equity Share outstanding as on the End of Year/Period (C) | 80,00,000 | 80,00,000 | 80,00,000 |
| Weighted average no of Equity shares as on the end of the period year(D) | | | |
| -Pre Bonus (D(i)) | 80,00,000 | 80,00,000 | 80,00,000 |
| -Post Bonus (D(i)) | 80,00,000 | 80,00,000 | 80,00,000 |
| Restated Basic & Diluted Earnings Per Share (In Rs.) (B/D) | | | |
| - Pre Bonus (B/D(i)) - Basic | 14.03 | 7.97 | 0.36 |
| - Pre Bonus (B/D(i)) - Diluted | 14.03 | 7.97 | 0.36 |
| - Post Bonus (B/D(ii)) - Basic | 14.03 | 7.97 | 0.36 |
| - Post Bonus (B/D(ii)) - Diluted | 14.03 | 7.97 | 0.36 |
| Return on Net worth (%) (B/A) | 43.10% | 43.06% | 3.43% |
| Net asset value per share (A/D(i)) (Pre Bonus) (In Rs.) | 32.54 | 18.51 | 10.45 |
| Net asset value per share (A/D(ii)) (Post Bonus) (In Rs.) | 32.54 | 18.51 | 10.45 |

***Notes:***

1. *The ratios have been Computed as per the following formulas –*

*(i) Basic Earnings per Share is calculated as Restated Profit after Tax available to equity shareholders divided byWeighted average number of equity shares outstanding at the end of the year / period.*

*(ii) Net Asset Value (NAV) per Equity Share is calculated as Restated Net Worth of Equity Share Holders divided byNumber of equity shares outstanding at the end of the year / period.*

*(iii) Return on Net worth (%) is calculated as Restated Profit after Tax available to equity shareholders divided by Restated Net Worth of Equity Share Holders.*

2. *EBITDA represents Earnings (orProfit/(Loss)) before Finance Costs, Income Taxes, and Depreciation and Amortization Expenses. Extraordinary and Exceptional Items have been considered in the calculation of EBITDA as they were expense items.*
3. *Net Profit as restated, as appearing in the Statement of Profit and Losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Restated Financial Information of the Company.*
4. *Earnings per share calculations are done in accordance with Accounting Standard 20 "Earning per Share", issued by the Institute of Chartered Accountants of India.*
5. *Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time*

*weighting fact or is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.*

## STATEMENT OF FINANCIAL INDEBTEDNESS

Our company has availed borrowings in the ordinary course of business. Set forth below is a brief summary of our aggregate outstanding borrowing as on March 31, 2026:

*(₹ in Lakhs)*

| Nature of Borrowing | Amount |
|---|---|
| **Secured Borrowing** | |
| • From Banks | 3,804.81 |
| • From Others | 95.86 |
| **Unsecured Borrowings** | |
| • From Banks | - |
| • From Others | 522.81 |
| **Total** | **4,423.48** |

**A. Secured Borrowings**

| Sr. No. | Name of the Lender | Date of Sanction Letter | Nature of Facility | Purpose | Amount Sanctioned (₹ in Lakhs) | Amount O/s as on March 31, 2026 (₹ in Lakhs) | Interest Rate | Tenure (In Month) | Remaining Tenure as on March 31, 2026 |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Kotak Mahindra Bank | November 14, 2025 | Term Loan | Business Purpose | 63.00 | 58.11 | Repo Rate + 2.80% (Repo presently 5.50%; effective 8.30% p.a.), floating, reset every 3 months | Repayable in structured monthly instalments; residual tenor 56 months from sanction dated 14.11.2025. | 51 Months |
| 2. | Kotak Mahindra Bank | November 14, 2025 | Term Loan - 1 | Business Purpose | 24.00 | 22.85 | Repo Rate + 2.80% (Repo presently 5.50%; effective 8.30% p.a.), floating, reset every 3 months | Repayable in structured monthly instalments; residual tenor 68 months from sanction dated 14.11.2025. | 63 Months |
| 3. | Kotak Mahindra Bank | November 14, 2025 | Term Loan - 2 | Business Purpose | 50.00 | 47.10 | Repo Rate + 2.80% (Repo presently 5.50%; effective 8.30% p.a.), floating, | Repayable in structured monthly instalments; residual tenor 68 months from sanction dated 14.11.2025. | 63 Months |

| Sr. No. | Name of the Lender | Date of Sanction Letter | Nature of Facility | Purpose | Amount Sanctioned (₹ in Lakhs) | Amount O/s as on March 31, 2026 (₹ in Lakhs) | Interest Rate | Tenure (In Month) | Remaining Tenure as on March 31, 2026 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | reset every 3 months | | |
| 4. | Kotak Mahindra Bank | November 14, 2025 | Term Loan - 3 | Business Purpose | 11.00 | 10.10 | Repo Rate + 2.80% (Repo presently 5.50%; effective 8.30% p.a.), floating, reset every 3 months | Repayable in structured monthly instalments; residual tenor 68 months from sanction dated 14.11.2025. | 63 Months |
| 5. | BMW Financial Services | January 31, 2026 | Vehicle Loan (BMW X7 xDrive40 i) | Business Purpose | 96.60 | 95.86 | 8.74% p.a. (fixed) | 48 monthly EMIs of Rs.1,44,549 each; EMI start 01.03.2026; contract end 01.02.2030. | 47 Months |
| 6. | Bank of India | February 21, 2024 | Vehicle Loan (Toyota Hyryder) | Business Purpose | 16.00 | 10.02 | Floating - RBLR + mark-up/credit risk premium (presently 8.85% p.a.), monthly rests | 60 EMIs of Rs.33,098 each, commencing one month after first disbursement. | 36 Months |
| 7. | ICICI Bank Limited | February 03, 2025 | Vehicle Loan (KIA Seltos) | Business Purpose | 17.00 | 15.05 | 9.10% p.a. (fixed) | 84 monthly EMIs of Rs.27,487 each, commencing 10.03.2025. | 71 Months |
| 8. | Kotak Mahindra Bank | November 14, 2025 | Cash Credit (with WCDL/SBLC/LC/BG sub-limits) | Business Purpose | 3,950.00 | 3,491.47 | Repo Rate + 2.65% (Repo presently 5.50%; effective 8.15% p.a.), floating, reset every 3 months. | Repayable on Demand | |

| Sr. No. | Name of the Lender | Date of Sanction Letter | Nature of Facility | Purpose | Amount Sanctioned (₹ in Lakhs) | Amount O/s as on March 31, 2026 (₹ in Lakhs) | Interest Rate | Tenure (In Month) | Remaining Tenure as on March 31, 2026 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Margin: 25% on paid stock and 25% on book debts upto 180 days. | | |
| 9. | Standard Chartered Bank | February 04, 2026 | Export Invoice Financing (with Overdraft & Short-Term Loan sub-limits) | Businss Purpose | 1,700.00 | 150.11 | Spread over applicable benchmark for a Rupee facility, as specified by the Bank at the time of each drawdown (rate not pre-fixed in the sanction/facility letter) | Tenor upto 90 days per drawdown; each utilisation repayable on the last day of its term / on due date of the underlying export invoice. | |

**Primary Security:**

1. Exclusive charge by way of hypothecation of All Moveable Fixed Assets and Current Assets (existing and future) of the Company.
2. Hypothecation of vehicle - BMW X7 x0Drive40i M Sport, registered in the name of the Company.
3. Hypothecation of vehicle - Toyota Hyryder S E-Drive, registered in the name of the Company.
4. Hypothecation of vehicle - KIA Seltos, registered in the name of the Company.
5. Facility for financing sale of goods to buyers, against export invoices/LCs/purchase orders of approved counterparties (Samvardhana Motherson Auto Component (P) Ltd, CMR Green Technologies Ltd, Sandhar Technologies Ltd); discounting upto 90% of invoice value. Overdraft (Rs.500 lakh) and Short Term Loan (Rs.40 lakh) as inner sub-limits.

**Collateral Securities:**

1. 1st & Exclusive Equitable Mortgage of Residential Property - Plot No.64, Hemkunt Colony, GF, Greater Kailash Part-I, New Delhi 110048 (owned by Mrs. Ranjana Malhotra); 1st & Exclusive Equitable Mortgage of Industrial Property - Khasra No.57, Killa No.5/2/1, 6/2, 15/2/1/2, Janauli Road, Palwal, Faridabad, Haryana 121102 (owned by Auto Recycling Systems Pvt. Ltd.);
2. Hypothecation of vehicle only;
3. First pari-passu charge with Kotak Mahindra Bank on Current Assets and Movable Fixed Assets of the Company; pari-passu charge on Industrial Property at Khewat No.315, Khata No.335 Mustil, Khasra No.57, Kila No.5/2/1 (317), 6/2, Faridabad, Palwal, Haryana 121102 (with Kotak Mahindra Bank);

**Personal Guarantees:**

Secured by Personal Guarantees of following persons:

1. Mr. Sanjeev Malhotra

2. Mr. Sarthak Malhotra.

3. Mrs. Ranjana Malhotra

**B. Unsecured Loans:**

The company has also availed certain Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as on March 31, 2026.

(₹ in Lakhs)

| Sr No | Name of Lender | Rate of Interest | Amount |
|---|---|---|---|
| 1 | Prerna Malhotra | Nil | 15.00 |
| 2 | Ranjana Malhotra | Nil | 249.01 |
| 3 | Sanjeev Malhotra | Nil | 68.76 |
| 4 | Sarthak Malhotra | Nil | 190.04 |
| **Total** | | | **522.81** |

**C. Borrowings Payable on Demand as a Percentage of total borrowing:**

(₹ in Lakhs)

| Sr No | Particulars | Amount |
|---|---|---|
| A | Total Borrowing as on March 31, 2026 | 4,423.48 |
| B | Borrowings Payable on Demand | |
| | i. Unsecured loan from directors and relatives | 522.81 |
| | ii. Cash Credit & Export Invoice Financing | 3,641.58 |
| **C** | **Total (i+ii)** | **4,164.39** |
| | **Percentage of borrowing payable on demand (C/A)** | **94.14%** |

*^ As certified by Statutory and Peer Review Auditor, M/s. M Parashar & Co., Chartered Accountants, vide their certificate dated September 23, 2026.*

## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements included in this Draft Red Herring Prospectus. You should also read the chapter titled* ***"Risk Factors"*** *beginning on page 16 of this Draft Red Herring Prospectus, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our Restated Financial Statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.*

*The following discussion and analysis of our financial condition and results of operations for the Financial Year Ended on March 31, 2026, Financial Year ended on March 31, 2025, and Financial Year ended on March 31, 2024 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the chapter titled* ***"Restated Financial Statements"*** *beginning on page 207 of this Draft Red Herring Prospectus.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Auto Recycling Systems Limited, our Company. Unless otherwise indicated, financial information included herein are based on our* ***"Restated Financial Statements"*** *Financial Year Ended on March 31, 2026, Financial Year ended on March 31, 2025, and Financial Year ended on March 31, 2024 included in this Draft Red Herring Prospectus beginning on page 207 of this Draft Red Herring Prospectus.*

***Note:*** *Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.*

### BUSINESS OVERVIEW

Our Company was incorporated as "Auto Recycling Systems Private Limited" as a private limited company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated December 24, 2020, issued by Assistant Registrar of Companies. Further, our Company was converted from a private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of our Company dated May 12, 2026 and consequently, the name of our Company was changed from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited" and a fresh certificate of incorporation dated June 16, 2026 was issued to our Company by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U27200DL2020PLC374942.

Our Company was incorporated by Mr. Sanjeev Malhotra, Mr. Sarthak Malhotra and Mrs. Ranjana Malhotra, being subscriber to Memorandum of Association. Currently, Mr. Sanjeev Malhotra and Mr. Sarthak Malhotra are the promoters of our Company.

Our Company is engaged in the business of manufacturing aluminium ingots using recycled aluminium scrap as the primary raw material. In addition to our manufacturing operations, we are also involved in the trading of aluminium scrap and other non-ferrous scrap materials, as well as the scrap and wastage generated from our manufacturing process. We manufacture aluminium ingots in various grades, including standard and customized alloys such as ADC 12, ALSI12 Fe, and other customer-specific compositions. Our products are supplied to B2B customers operating in industries such as automotive, electrical, and engineering. Aluminium is widely used metal due to its lightweight, corrosion resistance, conductivity, and recyclability. The secondary aluminium industry, which involves recycling of aluminium scrap, plays a critical role in reducing energy consumption and promoting sustainability. Our operations carried out by our in-house manufacturing facility which is equipped with melting furnaces with controlled temperature systems, alloying and refining capabilities, in-house laboratory for chemical and physical testing, moulding and casting infrastructure, storage and handling facilities for raw material and finished goods. The facility is designed to handle various grades of aluminium scrap and produce ingots with consistent quality. Our Manufacturing unit is located at Khasra No 57 Kila No 5/2/1, 6/2,15/2/ 1/2, Baghola Januali Road, Palwal, Faridabad, Haryana- 121102, India, with an installed capacity of 15,200 MT for processing aluminium scrap. Our in house trained professionals undertake quality checks at various stages of manufacturing, including raw material inspection, in-process monitoring and final testing, to maintain consistency, reliability, compliance across our manufacturing process and to ensure conformity with customer specifications and

applicable standards. Our Company has accreditations such as ISO 45001:2015 for occupational health and safety management system and ISO 14001:2015 for environmental management systems. We supply our products domestically in the state of Haryana, Rajasthan, Uttar Pradesh, Delhi, Uttrakhand, Gujarat, Tamilnadu, Karnataka, Punjab, Himachal Pradesh and Madhya Pradesh.

We attribute our growth in this industry under the able leadership and guidance of Mr. Sanjeev Malhotra (Promoter, Chairman and Managing Director) and Mr. Sarthak Malhotra (Promoter and Whole-Time Director) and a dedicated qualified team of professionals of the Company. Mr. Sanjeev Malhotra has an overall entrepreneurial experience of more than 9 years in the Metal trading, manufacturing and recycling Industry. Mr. Sanjeev Malhotra has played a key role in formulating policies, procedures and devising organizational development plans. His leadership skills, business understanding, expertise and significant experience are instrumental for the growth of our business. He is involved in developing and maintaining relationships with key industrial customers. Currently he overlooks Administration, Human resource and Maintenance department of the Company in addition to this he also has an experience of more than 20 years in Building Material Industry and Real Estate Industry. Mr. Sarthak Malhotra overlooks Accounts, Dispatch, Marketing, Production, Quality Sales and Storage department in the Company and has over 9 years of experience in the Metal trading, manufacturing and recycling Industry. For further details of our promoters and our management, please see chapters titled ***"Our Promoters and Promoters' Group"*** and ***"Our Management"*** on page no. 201 and 184 of this Draft Red Herring Prospectus.

## FINANCIAL KPIs OF THE COMPANY:

*(₹ in Lakhs except Percentage and Ratio)*

| Particulars* | Unit of Measurement | For the Year ended on March 31, 2026 | For the Year ended on March 31, 2025 | For the Year ended on March 31, 2024 |
|---|---|---|---|---|
| Revenue from Operations[1] | In ₹ | 25,667.19 | 14,421.53 | 5,268.67 |
| EBITDA[2] | In ₹ | 1,604.50 | 885.57 | 139.57 |
| EBITDA Margin[3] | In % | 6.25% | 6.14% | 2.65% |
| PAT[4] | In ₹ | 1,122.02 | 637.81 | 28.69 |
| PAT Margin[5] | In % | 4.37% | 4.42% | 0.54% |
| Return on equity[6] | In % | 54.94% | 55.04% | 3.97% |
| Return on capital employed[7] | In % | 22.17% | 20.77% | 4.38% |
| Debt-Equity Ratio[8] | In Times | 1.70 | 1.75 | 1.93 |
| Current Ratio[9] | In Times | 1.39 | 1.28 | 1.05 |
| Inventory Turnover Ratio[10] | In Times | 9.26 | 11.40 | 9.56 |

**As certified by Statutory and Peer Review Auditor, M/s M Parashar & Co., Chartered Accountants, by their certificate dated September 23, 2026.*

**Notes:**

1. *Revenue from Operation means revenue from sales.*
2. *EBITDA is calculated as Profit Before Tax + Finance Cost + Depreciation and Amortization – Other Income.*
3. *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
4. *Profit After Tax (PAT) is calculated as Profit Before Tax – Taxes.*
5. *Profit after Tax (PAT) Margin is calculated as Profit after Tax divided by revenue from operations.*
6. *Return on Equity (ROE) is calculated as net profit after tax for the year / period divided by Average Shareholder Equity.*
7. *Return on Capital Employed (RoCE) is calculated as EBIT divided by capital employed, Capital Employed is defined as shareholders' equity plus total borrowings [Current & Non – Current].*
8. *Debt to Equity Ratio is calculated as Total Debt divided by Adjusted Net-Worth as per Restated Financial Statements.*
9. *Current Ratio is calculated as Current assets divided by Current liabilities.*
10. *Inventory Turnover Ratio is calculated as Cost of Goods Sold divided by Average Inventories.*

## FACTORS AFFECTING OUR RESULT OF OPERATIONS

**Except as otherwise stated in this Draft Red Herring Prospectus and the Risk Factors given in the Draft Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:**

1. Company's ability to successfully implement its growth strategy and expansion plans;
2. Volatility in commodity prices and procurement costs may adversely affect our margins and profitability.
3. Failure to keep pace with rapid changes in technology.
4. General economic and business conditions in the markets in which we operate and in the local, regional, national, and international economies.
5. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate.
6. Changes in consumer demand.
7. General economic, political and other risks that are out of our control.
8. Any change in government policies resulting in increases in taxes payable by us.
9. Our ability to retain our key managements persons and other employees.
10. Changes in laws and regulations that apply to the industries in which we operate;
11. Ability to maintain relationships with vendor
12. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
13. The performance of the financial markets in India and globally
14. Adverse weather and climatic conditions in the region where we operate

## SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2026

Except as stated below and elsewhere in this Draft Red Herring Prospectus, no developments have come to our attention since the date of the Restated Financial Statements for the year ended on March 31, 2026 that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

Note:

- The present Issue has been authorized pursuant to a resolution of our Board dated July 4, 2026, and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our Shareholders held on July 7, 2026.
- The bonus Issue has been authorized pursuant to a resolution of our Board dated August 21, 2026, and by Shareholder's Resolution passed under the Companies Act, 2013 at an Shareholder's Meeting of our Shareholders held on August 24, 2026.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to the chapter titled ***"Restated Financial Statements"*** beginning on page 207 of this Draft Red Herring Prospectus.

## KEY COMPONENTS OF COMPANY'S BALANCE SHEET

The following table sets forth select financial data derived from our restated financial statement of Balance Sheet for the financial year ended on March 31, 2026, for the financial year ended on March 31, 2025, and for the financial year ended on March 31, 2024:

(₹ in lakhs)

| Particulars | Year Ended 31st March, 2026 | Year Ended 31st March, 2025 | Year Ended 31st March, 2024 |
|---|---|---|---|
| **Liabilities** | | | |
| Long-term Borrowings | 742.91 | 544.14 | 341.37 |
| Long Term Provisions | 5.71 | 3.49 | 1.88 |
| Short-Term Borrowings | 3,641.58 | 1,889.73 | 1,239.71 |
| Trade Payable | 860.96 | 303.57 | 101.14 |
| Short-term Provisions | 255.89 | 129.03 | 8.20 |
| **Assets** | | | |
| Property, Plant and Equipment and Intangible Asset | 1,415.12 | 1,227.66 | 1,098.59 |
| Inventories | 3,375.79 | 1,612.32 | 671.61 |
| Trade Receivables | 2,889.53 | 1,369.28 | 437.01 |
| Short Term Loans & Advances | 407.65 | 486.34 | 236.18 |

**COMPARISION OF FISCAL 2026 WITH FISCAL 2025**

**1. Liabilities**

**Long Term Borrowings:**

Long-term borrowings of our company consist of secured loans and unsecured loans obtained from banks and from related parties respectively. Long term borrowing increased from ₹ 544.14 Lakhs for the financial year ended March 31, 2025, to ₹ 742.91 Lakhs for the financial year ended March 31, 2026. This change was primarily due to the sanctioning of additional secured loans from banks and financial institutions.

**Long Term Provisions:**

Long-term provisions increased from ₹ 3.49 Lakhs for the financial year ended March 31, 2025, to ₹ 5.71 Lakhs for the financial year ended March 31, 2026. This change was mainly due to the increase in the provision for gratuity.

**Short Term Borrowings:**

Short-term borrowings increased from ₹ 1,889.73 Lakhs for the financial year ended March 31, 2025, to ₹ 3,641.58 Lakhs for the financial year ended March 31, 2026. This change was mainly due to the higher outstanding amount repayable under bank overdraft facilities.

**Trade Payables:**

Trade payables increased from ₹ 303.57 Lakhs for the financial year ended March 31, 2025, to ₹ 860.96 Lakhs for the financial year ended March 31, 2026. This increase was primarily attributable to higher purchase volumes to support increased sales volumes.

**Short-term Provisions:**

Short-term provisions increased from ₹ 129.03 Lakhs for the financial year ended March 31, 2025, to ₹ 255.89 Lakhs for the financial year ended March 31, 2026. This change was mainly due to increase in provision for income tax and increase in corporate social responsibility and gratuity provisions.

**2. Assets**

**Property, Plant and Equipment and Intangible Asset:**

Property, Plant & Equipment and Intangible Assets increased from ₹ 1,227.66 Lakhs for the financial year ended March 31, 2025, to ₹ 1,415.12 Lakhs for the financial year ended March 31, 2026. This change was mainly due to additions to Property, Plant and Equipment during the financial year.

**Inventories:**

Inventories increased from ₹ 1,612.32 Lakhs for the financial year ended March 31, 2025, to ₹ 3,375.79 Lakhs for the financial year ended March 31, 2026. This change was mainly due to increase in purchase of materials.

**Trade Receivables:**

Trade receivables increased from ₹ 1,369.28 Lakhs for the financial year ended March 31, 2025, to ₹ 2,889.53 Lakhs for the financial year ended March 31, 2026. This change was mainly due to higher sales volumes.

**Short-term Loans and Advances:**

Short-term loans & advances decreased from ₹ 486.34 Lakhs for the financial year ended March 31, 2025, to ₹ 407.65 Lakhs for the financial year ended March 31, 2026. This change was mainly due to decrease in advances paid to suppliers.

**COMPARISION OF FISCAL 2025 WITH FISCAL 2024**

**1. Liabilities**

**Long Term Borrowings:**

Long-term borrowings of our company consist of secured loans and unsecured loans obtained from banks and from related parties respectively. Long term borrowing increased from ₹ 341.37 Lakhs for the financial year ended March 31, 2024, to ₹ 544.14 Lakhs for the financial year ended March 31, 2025. This change was primarily attributable to additional unsecured loans received from related parties during the financial year.

**Long Term Provisions:**

Long-term provisions increased from ₹ 1.88 Lakhs for the financial year ended March 31, 2024, to ₹ 3.49 Lakhs for the financial year ended March 31, 2025. This change was mainly due to the increase in the provision for gratuity.

**Short Term Borrowings:**

Short-term borrowings increased from ₹ 1,239.71 Lakhs for the financial year ended March 31, 2024, to ₹ 1,889.73 Lakhs for the financial year ended March 31, 2025. This change was mainly due to the higher outstanding amount repayable under bank cash credit facility.

**Trade Payables:**

Trade payables increased from ₹ 101.14 Lakhs for the financial year ended March 31, 2024, to ₹ 303.57 Lakhs for the financial year ended March 31, 2025. This increase was primarily attributable to higher purchase volumes to support increased sales volumes.

**Short-term Provisions:**

Short-term provisions increased from ₹ 8.20 Lakhs for the financial year ended March 31, 2024, to ₹ 129.03 Lakhs for the financial year ended March 31, 2025. This change was mainly due to increase in provision for income tax.

**2. Assets**

**Property, Plant and Equipment and Intangible Asset:**

Property, Plant & Equipment and Intangible Assets increased from ₹ 1,098.59 Lakhs for the financial year ended March 31, 2024, to ₹ 1,227.66 Lakhs for the financial year ended March 31, 2025. This change was mainly due to additions to Property, Plant and Equipment during the financial year.

**Inventories:**

Inventories increased from ₹ 671.61 Lakhs for the financial year ended March 31, 2024, to ₹ 1,612.32 Lakhs for the financial year ended March 31, 2025. This change was mainly due to increase in purchase of materials.

**Trade Receivables:**

Trade receivables increased from ₹ 437.01 Lakhs for the financial year ended March 31, 2024, to ₹ 1,369.28 Lakhs for the financial year ended March 31, 2025. This change was mainly due to higher sales volumes.

**Short-term Loans and Advances:**

Short-term loans & advances increased from ₹ 236.18 Lakhs for the financial year ended March 31, 2024, to ₹ 486.34 Lakhs for the financial year ended March 31, 2025. This change was mainly due to increase in advances paid to suppliers.

## RESULTS OF OUR OPERATIONS

***Based on Financial Statements of Profit & Loss as Restated***

***(₹ in Lakhs)***

| Particulars | For the year ended March 31, 2026 | | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|---|---|---|---|---|---|---|
| | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income |
| **Revenue** | | | | | | |
| Revenue from operations | 25,667.19 | 99.66% | 14,421.53 | 99.29% | 5,268.67 | 99.64% |
| Other income | 88.38 | 0.34% | 102.98 | 0.71% | 19.21 | 0.36% |
| **Total income** | **25,755.57** | **100.00%** | **14,524.51** | **100.00%** | **5,287.88** | **100.00%** |
| **Expenses** | | | | | | |
| Cost of Goods Consumed | 23,783.02 | 92.34% | 13,583.59 | 93.52% | 5,135.69 | 97.12% |
| Changes in inventories of Stock in Trade | (675.90) | (2.62) % | (570.22) | (3.93) % | (282.81) | (5.35) % |
| Employee benefit expense | 147.94 | 0.57% | 126.78 | 0.87% | 97.32 | 1.84% |
| Finance costs | 269.71 | 1.05% | 161.29 | 1.11% | 89.11 | 1.69% |
| Depreciation and amortisation expense | 46.54 | 0.18% | 41.00 | 0.28% | 32.43 | 0.61% |
| Other expenses | 807.63 | 3.14% | 395.81 | 2.73% | 178.90 | 3.38% |
| **Total expenses** | **24,378.94** | **94.66%** | **13,738.25** | **94.59%** | **5,250.64** | **99.30%** |
| **Profit before Exceptional Items** | **1,376.63** | **5.34%** | **786.26** | **5.41%** | **37.24** | **0.70%** |
| Exceptional Items | - | - | - | - | - | - |
| **Profit before Extraordinary Items and Tax** | **1,376.63** | **5.34%** | **786.26** | **5.41%** | **37.24** | **0.70%** |
| Extraordinary Items | - | - | - | - | - | - |
| **Profit before tax** | **1,376.63** | **5.34%** | **786.26** | **5.41%** | **37.24** | **0.70%** |
| **Tax expense** | | | | | | |
| Current tax | 245.33 | 0.95% | 140.43 | 0.97% | 2.46 | 0.05% |
| Deferred tax expense/ (credit) | 9.28 | 0.04% | 8.02 | 0.06% | 6.09 | 0.12% |
| **Total tax expense** | **254.61** | **0.99%** | **148.45** | **1.02%** | **8.56** | **0.16%** |
| **Profit for the year** | **1,122.02** | **4.36%** | **637.81** | **4.39%** | **28.69** | **0.54%** |

## KEY COMPONENTS OF COMPANY'S PROFIT AND LOSS STATEMENT

**Revenue from operations:** Revenue from operations mainly consists of sales of manufactured aluminium ingots using recycled aluminium scrap as the primary raw material. In addition to our manufacturing operations, the company is also involved in the trading of aluminium scrap.

(₹ in lakhs)

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| Revenue from Manufacturing activity | 22,397.93 | 11,379.99 | 2,265.52 |
| Revenue from Trading activity | 3,269.26 | 3,041.54 | 3,003.15 |
| **Total** | **25,667.19** | **14,421.53** | **5,268.67** |

**Other income:** Other income primarily comprises interest income on fixed deposits and security deposits, miscellaneous income, and rental income received from related parties.

**Expenses:** Company's expense consist of Cost of material consumed, Changes in inventories of Stock in Trade, Employee benefits expenses, Finance costs, Depreciation and amortisation expense and other expenses.

**Cost of Goods Consumed:** Cost of materials consumed primarily comprises expenses related to the purchase of raw materials and consumables for manufacturing, import-related expenses, and freight and carriage inward.

**Changes in inventories of finished goods/stock in Trade:** Changes in inventories of finished goods and stock in trade goods represent the difference between the opening and closing inventories of finished goods and stock-in-trade.

**Employee benefit expense:** Employee benefit expenses comprise salaries, wages and allowances, directors' remuneration, staff welfare expenses, medical expenses, compensation, employers' contributions to ESI and EPF, and gratuity.

**Finance costs:** Finance costs primarily comprise interest paid to banks, interest on statutory liabilities, and loan processing charges.

**Depreciation and amortisation expense:** Depreciation includes depreciation on building, furniture and fixtures, Electrical installations, Office equipment, Computers, Plant & Machineries and Vehicles.

**Other expenses:** Other expenses primarily includes Power & Fuel Expenses, Contract Wages Expenses, Repair And Maintenance, Freight and Cartage Outward, Audit Fee, Bank Charges, CSR Expenses, Rent Expense, Rates and Taxes, Legal & Professional Charges, Loss on Foreign Exchange, ROC/ Annual Filling Fees, Printing & Stationery, Insurance, Conveyance Expense, Office Expenses, Membership & Subscription fees, Security Expenses, and Travelling Expenses.

**COMPARISON OF FINANCIAL PERFORMANCE OF FISCAL 2026 WITH FISCAL 2025**

**1. Income**

**Revenue from operations:**

Our Income from Revenue from Operations increased by 77.98% from ₹ 14,421.53 Lakhs for the financial year ended March 31, 2025, to ₹ 25,667.19 Lakhs for the financial year ended March 31, 2026. This was mainly attributable to

- Higher sales volumes are being driven by strong demand from existing customers, complemented by continued growth from new customer additions.
- Enhanced capacity utilization across the Company's manufacturing facilities, as reflected in the table below:

| Particulars* | FY 2025-26 | FY 2024-25 |
|---|---|---|
| Installed Capacity (in Tons) | 15,200 | 9,900 |
| Capacity Utilized (in Tons) | 13,322 | 6,037 |
| **Utilized Capacity (in %)** | **87.64%** | **60.98%** |

- Increased contribution from the Company's top customers, as reflected in the table below:

| Revenue from Operations** | For the Financial Year ended | | | |
|---|---|---|---|---|
| | FY 2025-26* | | FY 2024-25* | |
| | Amount | % of total revenue from operations | Amount | % of total revenue from operations |
| Top One (1) Customer | 6,320.41 | 24.62 | 4,726.16 | 32.77 |
| Top Five (5) Customers | 19,255.24 | 75.02 | 11,247.41 | 77.99 |
| Top Ten (10) Customers | 22,794.13 | 88.81 | 12,711.93 | 88.15 |

- The growth was further supported by improved operational efficiencies, stronger customer relationships, and enhanced order execution during the financial year.

**Other income:**

Our Other Income decreased by 14.18% from ₹ 102.98 Lakhs for the financial year ended March 31, 2025, to ₹ 88.38 Lakhs for the financial year ended March 31, 2026. This was mainly due to fluctuation in foreign exchange gain/loss during the financial year.

**2. Expenses**

**Cost of Goods Consumed:**

Our Cost of Goods Consumed increased by 75.09% from ₹ 13,583.59 Lakhs for the financial year ended March 31, 2025, to ₹ 23,783.02 Lakhs for the financial year ended March 31, 2026. This increase was due to higher production and sales volumes in line with the growth in revenue from operations as reflected in the table below. The increase was further driven by higher consumption of raw materials, which rose to ₹ 24,766.68 Lakhs in Fiscal 2026 from ₹ 13,837.98 Lakhs in Fiscal 2025, to support increased order execution, and the impact of fluctuations in the prices of raw materials during the financial year.

| Particulars | FY 2025-26 | FY 2024-25 |
|---|---|---|
| **Cost of Goods Consumed** | 23,783.02 | 13,583.59 |
| **Revenue from Operations** | 25,667.19 | 14,421.53 |
| **CoGC% of Turnover** | 92.66% | 94.19% |

**Changes in inventories of Stock in Trade:**

Our Changes in Inventories of Finished Goods and traded goods decreased from ₹ (570.22) Lakhs for the financial year ended March 31, 2025, to ₹ (675.90) Lakhs for the financial year ended March 31, 2026. The variation was primarily attributable to higher closing inventories as at the end of Fiscal 2026, reflecting increased production in line with higher business volumes during the financial year.

**Employee benefit expense:**

Our Employee Benefit Expenses increased by 16.69% from ₹ 126.78 Lakhs for the financial year ended March 31, 2025, to ₹ 147.94 Lakhs for the financial year ended March 31, 2026. The increase was mainly attributable to higher salaries and wages, which stood at ₹ 108.28 Lakhs in Fiscal 2026 as compared to ₹ 93.55 Lakhs in Fiscal 2025.

**Finance costs:**

Our Finance Cost increased by 67.22% from ₹ 161.29 Lakhs for the financial year ended March 31, 2025, to ₹ 269.71 Lakhs for the financial year ended March 31, 2026. This increase was due to higher utilization of working capital borrowings to support the increased scale of operations and business growth during the financial year. The increase was also impacted by higher interest costs associated with working capital facilities and trade related financing.

**Depreciation and amortisation expense:**

Our Depreciation expense increased by 13.51% from ₹ 41.00 Lakhs for the financial year ended March 31, 2025, to ₹ 46.54 Lakhs for the financial year ended March 31, 2026. This increase was mainly due to addition in the Property, Plant and Equipment (Tangible Assets) during the financial year.

**Other expenses:**

Our Other Expenses increased by 104.04% from ₹ 395.81 Lakhs for the financial year ended March 31, 2025, to ₹ 807.63 Lakhs for the financial year ended March 31, 2026. This increase was mainly due to increase in power and fuel expenses from ₹ 21.20 Lakhs in Fiscal 2025 to ₹ 227.64 Lakhs in Fiscal 2026, increase in contract wages expenses from ₹ 118.14

Lakhs in Fiscal 2025 to ₹ 199.52 Lakhs in Fiscal 2026, increase in repair and maintenance expenses from ₹ 19.05 Lakhs in Fiscal 2025 to ₹ 65.87 Lakhs in Fiscal 2026. This increase was due to higher operational and administrative expenses incurred in line with the increase in business volumes during the financial year.

**3. Profit / (Loss)**

**Profit / (Loss) before tax:**

Restated profit before tax increased by 75.09% from ₹ 786.26 Lakhs for the financial year ended March 31, 2025, to ₹ 1,376.63 Lakhs for the financial year ended March 31, 2026, mainly driven by strong revenue growth outpacing the increase in expenses.

**Tax Expenses:**

Our Tax Expenses increased by 71.51% from ₹ 148.45 Lakhs for the financial year ended March 31, 2025, to ₹ 254.61 Lakhs for the financial year March 31, 2026.

**Profit / (Loss) after tax:**

| Particulars | FY 2025-26 | FY 2024-25 | Changes (In %) |
|---|---|---|---|
| Revenue from operations | 25,667.19 | 14,421.53 | 77.98% |
| Cost of Goods Consumed | 23,783.02 | 13,583.59 | 75.09% |
| Changes in inventories of Stock in Trade | (675.90) | (570.22) | (18.53) % |
| Employee benefit expense | 147.94 | 126.78 | 16.69% |
| Finance costs | 269.71 | 161.29 | 67.22% |
| Depreciation and amortisation expense | 46.54 | 41.00 | 13.51% |
| Other expenses | 807.63 | 395.81 | 104.04% |

Profit after tax increased by 80.55% from ₹637.81 lakhs for the financial year ended March 31, 2025, to ₹1,122.02 lakhs for the financial year ended March 31, 2026. The increase was primarily driven by a 77.98% growth in revenue from operations. Although employee benefits, finance costs, depreciation and other expenses increased during the year, the growth in revenue was sufficient to absorb the higher operating costs. Consequently, the company recorded a higher profit before tax and profit after tax. The company achieved a PAT margin of 4.37% in FY 2025-26, compared to 4.42% in FY 2024-25.

**COMPARISON OF FINANCIAL PERFORMANCE OF FISCAL 2025 WITH 2024**

**1. Income**

**Revenue from operations:**

Our Income from Revenue from Operations increased by 173.72% from ₹ 5,268.67 Lakhs for the financial year ended March 31, 2024, to ₹ 14,421.53 Lakhs for the financial year ended March 31, 2025. This was mainly attributable to the following reasons,

- **Expansion of manufacturing operations:** The Company installed its first furnace machinery during Fiscal 2024 and commenced manufacturing operations during the same year. Accordingly, Fiscal 2024 represented the initial phase of the Company's manufacturing operations, during which the Company was in the process of establishing its manufacturing capabilities and supplying manufactured products to its customers. Consequently, trading activity constituted a significant portion of the Company's total revenue from operations during Fiscal 2024, as set out in the table below. During Fiscal 2025, the Company further expanded its manufacturing capacity by installing an additional furnace in December 2024. The additional capacity enabled the Company to cater to the increased orders received from its existing customers as well as orders from new customers. As a result, the contribution from manufacturing activity increased significantly during Fiscal 2025 and constituted the major portion of the Company's total revenue from operations, as set out below:

(₹ in lakhs)

| Particulars | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|---|---|---|---|---|
| | ₹ | % | ₹ | % |
| Revenue from Manufacturing activity | 11,379.99 | 78.91% | 2,265.52 | 43.00% |

| | | | | |
|---|---|---|---|---|
| Revenue from Trading activity | 3,041.54 | 21.09% | 3,003.15 | 57.00% |
| **Total** | **14,421.53** | **100.00%** | **5,268.67** | **100.00%** |

- **Improvement in working capital funds:** The Company also witnessed an increase in the availability of working capital funds during Fiscal 2024 and Fiscal 2025. In February 2024, the Company received a sanction of an ICICI Bank cash credit facility of ₹2,110.50 lakhs, which was subsequently enhanced to ₹3,500.00 lakhs during Fiscal 2025. In addition, the Company generated higher internal accruals on account of increased profitability and higher retained earnings. As a result, the utilization of the Company's first furnace increased from approximately 63% in Fiscal 2024 to approximately 73% in Fiscal 2025. The second furnace, which was installed in December 2024, achieved approximately 29% capacity utilization during the period of its operation in Fiscal 2025. The increase in utilization of the existing furnace, together with the commencement of operations of the additional furnace, enabled the Company to increase its production capacity and fulfil higher customer orders during Fiscal 2025.

**Other income:**

Our Other Income increased from ₹ 19.21 Lakhs for the financial year ended March 31, 2024, to ₹ 102.98 Lakhs for the financial year ended March 31, 2025. This was mainly due to increase in rent income from related party and fluctuation in foreign exchange gain during the financial year.

**2. Expenses**

**Cost of Goods Consumed:**

Our Cost of Goods Consumed increased by 164.49% from ₹ 5,135.69 Lakhs for the financial year ended March 31, 2024, to ₹ 13,583.59 Lakhs for the financial year ended March 31, 2025. This increase was due to higher production and sales volumes in line with the growth in revenue from operations as reflected in the table below. The increase was further driven by higher consumption of raw materials, which rose to ₹ 13,402.32 Lakhs in Fiscal 2025 from ₹ 4,880.85 Lakhs in Fiscal 2024, to support increased order execution, and the impact of fluctuations in the prices of raw materials during the financial year.

| Particulars | FY 2024-25 | FY 2023-24 |
|---|---|---|
| **Cost of Goods Consumed** | 13,583.59 | 5,135.69 |
| **Revenue from Operations** | 14,421.53 | 5,268.67 |
| **CoGC% of Turnover** | 94.19% | 97.48% |

**Changes in inventories of Stock in Trade:**

Our Changes in Inventories of Finished Goods and traded goods decreased from ₹ (282.81) Lakhs for the financial year ended March 31, 2024, to ₹ (570.22) Lakhs for the financial year ended March 31, 2025. The variation was primarily attributable to higher closing inventories as at the end of Fiscal 2026, reflecting increased production in line with higher business volumes during the financial year.

**Employee benefit expense:**

Our Employee Benefit Expenses increased by 30.27% from ₹ 97.32 Lakhs for the financial year ended March 31, 2024, to ₹ 126.78 Lakhs for the financial year ended March 31, 2025. The increase was mainly attributable to higher salaries and wages, which stood at ₹ 93.55 Lakhs in Fiscal 2025 as compared to ₹ 63.36 Lakhs in Fiscal 2024.

**Finance costs:**

Our Finance Cost increased by 80.99% from ₹ 89.11 Lakhs for the financial year ended March 31, 2024, to ₹ 161.29 Lakhs for the financial year ended March 31, 2025. This increase was due to higher utilization of working capital borrowings to support the increased scale of operations and business growth during the financial year. The increase was also impacted by higher interest costs associated with working capital facilities and trade related financing.

**Depreciation and amortisation expense:**

Our Depreciation expense increased by 26.45% from ₹ 32.43 Lakhs for the financial year ended March 31, 2024, to ₹ 41.00 Lakhs for the financial year ended March 31, 2025. This increase was mainly due to addition in the Property, Plant and Equipment (Tangible Assets) during the financial year.

**Other expenses:**

Our Other Expenses increased by 121.25% from ₹ 178.90 Lakhs for the financial year ended March 31, 2024, to ₹ 395.81

Lakhs for the financial year ended March 31, 2025. This increase was mainly due to increase in power and fuel expenses from ₹ 12.96 Lakhs in Fiscal 2024 to ₹ 21.20 Lakhs in Fiscal 2025, increase in contract wages expenses from ₹ 68.75 Lakhs in Fiscal 2024 to ₹ 118.14 Lakhs in Fiscal 2025, increase in repair and maintenance expenses from ₹ 5.06 Lakhs in Fiscal 2024 to ₹ 19.05 Lakhs in Fiscal 2025. This increase was due to higher operational and administrative expenses incurred in line with the increase in business volumes during the financial year.

**3. Profit / (Loss)**

**Profit / (Loss) before tax:**

Restated profit before tax increased from ₹ 37.24 Lakhs for the financial year ended March 31, 2024, to ₹ 786.26 Lakhs for the financial year ended March 31, 2025, mainly driven by strong revenue growth outpacing the increase in expenses.

**Tax Expenses:**

Our Tax Expenses increased from ₹ 8.56 Lakhs for the financial year ended March 31, 2024, to ₹ 148.45 Lakhs for the financial year March 31, 2025.

**Profit / (Loss) after tax:**

| Particulars | FY 2024-25 | FY 2023-24 | Changes (In %) |
|---|---|---|---|
| Revenue from operations | 14,421.53 | 5,268.67 | 173.72% |
| Cost of Goods Consumed | 13,583.59 | 5,135.69 | 164.49% |
| Changes in inventories of Stock in Trade | (570.22) | (282.81) | 101.63% |
| Employee benefit expense | 126.78 | 97.32 | 30.27% |
| Finance costs | 161.29 | 89.11 | 80.99% |
| Depreciation and amortisation expense | 41.00 | 32.43 | 26.45% |
| Other expenses | 395.81 | 178.90 | 121.25% |

Profit after tax increased significantly from ₹28.69 lakhs for the financial year ended March 31, 2024, to ₹637.81 lakhs for the financial year ended March 31, 2025, reflecting a substantial improvement in profitability. The growth was primarily driven by a 173.72% increase in revenue from operations during the year. Although the cost of goods consumed and other expenses also increased, the higher revenue resulted in improved operating leverage and profitability. Finance costs and employee benefit expenses increased during the year, while depreciation and amortisation expenses also rose. Overall, the company's improved revenue performance contributed to a substantial increase in profit after tax and the company achieved a PAT margin of 4.42% in FY 2024-25, compared to 0.54% in FY 2023-24.

## CASH FLOWS

**As per Restated Financial Statements**

*(₹ in Lakhs)*

| Particulars | For the year ended March 31, 2026 | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---|---|---|
| Cash Flow from Operating Activities | (1,480.08) | (608.83) | (961.75) |
| Cash Flow from Investing Activities | (148.49) | (95.72) | (15.82) |
| Cash Flow from Financing Activities | 1,680.90 | 691.50 | 1,060.30 |

***Cash Flow from Operating Activities***

**For the financial year ended on March 31, 2026**

Our net cash outflow from operating activities was ₹ 1,480.08 Lakhs for the financial year ended on March 31, 2026. Our operating profit before working capital changes was ₹ 1,607.49 Lakhs for the financial year ended on March 31, 2026 which was primarily adjusted against Depreciation of ₹ 46.54 Lakhs, Finance cost of ₹ 269.71 Lakhs, Rental Income of ₹ 80.00 Lakhs and Interest Income of ₹ 5.52 Lakhs.

The main adjustments to operating profit before working capital changes included adjustments for (i) increase in Inventories by ₹ 1,763.46 Lakhs, (ii) increase in Trade Receivable by ₹ 1,520.24 Lakhs, (iii) decrease in Short Term Loans & Advances by ₹ 78.70 Lakhs, (iv) increase in Long Term Loans & Advances by ₹ 0.96 Lakhs, (v) increase in Other Current Assets by ₹ 1.25 Lakhs, (vi) increase in Trade Payables by ₹ 557.39 Lakhs, (vii) decrease in Other Current Liabilities by ₹ 321.49 Lakhs, (viii) increase in Provisions by ₹ 129.09 Lakhs.

**For the financial year ended on March 31, 2025**

Our net cash outflow from operating activities was ₹ 608.83 Lakhs for the financial year ended on March 31, 2025. Our operating profit before working capital changes was ₹ 921.21 Lakhs for the financial year ended on March 31, 2025 which was primarily adjusted against Depreciation of ₹ 41.00 Lakhs, Finance cost of ₹ 161.29 Lakhs, Rental Income of ₹ 66.00 Lakhs and Interest Income of ₹ 8.36 Lakhs.

The main adjustments to operating profit before working capital changes included adjustments for (i) increase in Inventories by ₹ 940.71 Lakhs, (ii) increase in Trade Receivable by ₹ 932.28 Lakhs, (iii) increase in Short Term Loans & Advances by ₹ 250.16 Lakhs, (iv) increase in Long Term Loans & Advances by ₹ 7.50 Lakhs, (v) decrease in Other Current Assets by ₹ 10.58 Lakhs, (vi) increase in Trade Payables by ₹ 202.43 Lakhs, (vii) increase in Other Current Liabilities by ₹ 405.60 Lakhs, (viii) increase in Provisions by ₹ 122.43 Lakhs.

**For the financial year ended on March 31, 2024**

Our net cash outflow from operating activities was ₹ 961.75 Lakhs for the financial year ended on March 31, 2024. Our operating profit before working capital changes was ₹ 139.15 Lakhs for the financial year ended on March 31, 2024 which was primarily adjusted against Depreciation of ₹ 32.43 Lakhs, Finance cost of ₹ 89.11 Lakhs, Rental Income of ₹ 12.00 Lakhs and Interest Income of ₹ 6.54 Lakhs.

The main adjustments to operating profit before working capital changes included adjustments for (i) increase in Inventories by ₹ 300.67 Lakhs, (ii) increase in Trade Receivable by ₹ 437.01 Lakhs, (iii) increase in Short Term Loans & Advances by ₹ 142.12 Lakhs, (iv) increase in Long Term Loans & Advances by ₹ 12.04 Lakhs, (v) increase in Other Current Assets by ₹ 7.80 Lakhs, (vi) decrease in Trade Payables by ₹ 194.21 Lakhs, (vii) decrease in Other Current Liabilities by ₹ 8.69 Lakhs, (viii) increase in Provisions by ₹ 4.09 Lakhs.

***Cash Flows from Investing Activities***

**For the financial year ended on March 31, 2026**

Our net cash outflow from Investing activities were ₹ 148.49 Lakhs. This was mainly due to addition of property, plant and equipment of ₹ 234.00 Lakhs, Interest income of ₹ 5.52 Lakhs and Rental income of ₹ 80.00 Lakhs.

**For the financial year ended on March 31, 2025**

Our net cash outflow from Investing activities were ₹ 95.72 Lakhs. This was mainly due to addition of property, plant and equipment of ₹ 170.08 Lakhs, Interest income of ₹ 8.36 Lakhs and Rental income of ₹ 66.00 Lakhs.

**For the financial year ended on March 31, 2024**

Our net cash outflow from Investing activities were ₹ 15.82 Lakhs. This was mainly due to addition of property, plant and equipment of ₹ 34.36 Lakhs, Interest income of ₹ 6.54 Lakhs and Rental income of ₹ 12.00 Lakhs.

**Cash Flows from Financing Activities**

**For the financial year ended on March 31, 2026**

Our net cash generated from Financing activities were ₹ 1680.90 Lakhs. This was mainly due to proceeds from short term borrowings of ₹ 1751.85 Lakhs, proceeds from long term borrowings of ₹ 198.77 Lakhs and Interest/financial charges paid of ₹ 269.71 Lakhs.

**For the financial year ended on March 31, 2025**

Our net cash generated from Financing activities were ₹ 691.50 Lakhs. This was mainly due to proceeds from short term borrowings of ₹ 650.02 Lakhs, proceeds from long term borrowings of ₹ 202.76 Lakhs and Interest/financial charges paid of ₹ 161.29 Lakhs.

**For the financial year ended on March 31, 2024**

Our net cash generated from Financing activities were ₹ 1,060.30 Lakhs. This was mainly due to amount received from the issue proceeds of ₹ 200.21 Lakhs, proceeds from short term borrowings of ₹ 879.05 Lakhs, proceeds from long term borrowings of ₹ 70.15 Lakhs and Interest/financial charges paid of ₹ 89.11 Lakhs.

## RELATED PARTY TRANSACTIONS

For further details, please refer to ***Note 34 – Related party disclosures*** of the chapter titled ***"Restated Financial Statements"*** beginning on page no. 207 of this Draft Red Herring Prospectus.

## OFF BALANCE SHEET ITEMS

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

## QUALIFICATIONS OF THE STATUTORY AUDITORS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS

There are no qualifications in the audit report that require adjustments in the Restated Financial Statements.

## QUALITATIVE DISCLOSURES ABOUT MARKET RISK

**Financial Market Risks**

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed interest rate risk, inflation and credit risk in the normal course of our business.

**Interest Rate Risks**

We are currently exposed interest to rate risks to the extent of outstanding loans. However, any rise in future borrowings may increase the risk.

**Effect of Inflation**

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

**Credit Risk**

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

## INFORMATION REQUIRED AS PER ITEM 11 (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. **Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

2. **Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the chapter titled ***"Restated Financial Statements"*** and ***"Management's Discussion and Analysis of Financial Conditions and Results of Operations"*** beginning on page 207 and 251 respectively of this Draft Red Herring Prospectus, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. **Known trends or uncertainties that have/had or are expected to have a material adverse impact on revenue or income from continuing operations**

Apart from the risks as disclosed under chapter titled ***"Risk Factors"*** beginning on page 16 in this Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution.**

Except as disclosed in chapter titled ***"Restated Financial Statements"*** beginning on page 207 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

5. **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, in the last three Fiscals.

6. **Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.**

Other than as described in the sections titled ***"Risk Factors", "Business Overview"*** *and* ***"Restated Financial Statements"*** beginning on page 16, 147 and 207 of this Draft Red Herring Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**7. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices.**

Other than as disclosed in the chapter titled ***"Business Overview"*** beginning on page 147 of this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

**8. Significant dependence on a single or few Customers.**

The percentage of contribution of our Company's Top 1, 5 and Top 10 Customers have been mentioned under the chapter titled ***"Business Overview"*** beginning on page 147 of this Draft Red Herring Prospectus.

**9. Status of any publicly announced New Products or Business Segment**

Please refer to the chapter titled ***"Business Overview"*** beginning on page 147 of this Draft Red Herring Prospectus for new products or business segments.

**10. Seasonality of business**

Our business is not subject to seasonality. For further information, see chapter titled ***"Industry Overview"*** and ***"Business Overview"*** beginning on page 106 and 147 respectively.

**11. Competitive conditions**

Competitive conditions are as described under the chapter titled ***"Industry Overview"*** and ***"Business Overview"*** beginning on page 106 and 147, respectively of the Draft Red Herring Prospectus.

## CAPITALIZATION STATEMENT

The following table sets forth our capitalization as of March 31, 2026, as derived from the Restated Financial Statements, are given below:

*(₹ In Lakhs except Ratio)*

| Particulars | Pre-Offer | Post-Offer |
|---|---|---|
| Debt | | |
| - Short Term Debt | 3,641.58 | [●] |
| - Long Term Debt | 781.90 | [●] |
| **Total Debt** | **4,423.48** | **[●]** |
| Shareholders' Fund (Equity) | | |
| - Share Capital | 800.00 | [●] |
| - Reserves & Surplus | 1,803.28 | [●] |
| - Less: Miscellaneous Expenses not W/off | - | [●] |
| **Total Shareholders' Fund (Equity)** | **2,603.28** | **[●]** |
| **Long Term Debt / Equity (In Ratio)** | **0.30** | **[●]** |
| **Total Debt / Equity (In Ratio)** | **1.70** | **[●]** |

*equity=total shareholders' fund

**Note:**

1. Short-term borrowings imply borrowings repayable within 12 months from the Balance Sheet date. Long-term borrowings are debts other than short-term borrowings and also include the current maturities of long-term borrowings.
2. The above ratios have been computed on the basis of the Restated Summary Statement of Assets and Liabilities of the Company.
3. The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company.

## SECTION X – LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; or (d) Material Litigation (as defined below); involving our Company, its Directors, the Promoters, KMPs, SMPs and the Group Companies ("Relevant Parties"). Further, there are no disciplinary actions (including penalties) imposed by SEBI or the Stock Exchanges against our Promoters in the last five (5) FYs, including any outstanding action.*

*For the purpose of material litigation in (d) above, our Board in its meeting held on September 17, 2026 has considered and adopted the following policy on materiality for identification of material outstanding litigation involving the Relevant Parties ("Materiality Policy"). In accordance with the Materiality Policy, all outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings and actions by regulatory authorities and statutory authorities, will be considered material if:*

*the omission of an event or information, whose value or the expected impact in terms of value exceeds the limits as prescribed under the SEBI Listing Regulations (as amended from time to time) i.e.:*

*i. two percent of turnover, as per the last annual restated financial statements of the Company; or*
*ii. two percent of net worth, except in case of the arithmetic value of the net worth is negative, as per the last annual restated financial statements of the Company; or*
*iii. five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated financial statements of the Company.*

*Accordingly, any transaction exceeding the lower of i, ii or iii above or ₹ 29.81 lakhs will be considered for the above purpose; or*

*where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in individual litigation does not exceed the amount determined as per clause (i) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) above; and*

*i. any such litigation which does not meet the criteria set out in (i) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.*

*In terms of the materiality policy above any litigations (apart from (a) criminal proceedings; (b) actions by statutory or regulatory authorities and (c) claims relating to direct and indirect taxes), the monetary value of which or the adverse impact resulting from such litigation exceeds ₹ 29.81 lakhs shall be considered Material Litigation.*

*It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.*

### 1. LITIGATIONS INVOLVING OUR COMPANY

***Litigation filed against our Company***

**a. Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated against our Company.

**b. Actions by regulatory and statutory authorities**

As on the date of this Draft Red Herring Prospectus, there are no actions initiated by Statutory or Regulatory Authorities against our Company.

**c. Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated or pending against our Company.

***Litigation by our Company***

**a. Criminal Proceedings**

***M/S. Auto Recycling Systems Pvt Ltd vs. M/S. Aadi Sales: Case no: NACT/1510/2024 under Ss.138 & 141*** **of the Negotiable Instruments Act, 1881 before Sessions Court, Faridabad**

Auto Recycling Systems Private Limited ("**Complainant**") filed a complaint against M/s Aadi Sales ("**Accused no.1**")

and its partners, namely Mr. Prakhar Jain ("**Accused no.2**") and Mr. Paras Jain ("**Accused no. 3**"), before the Ilaqa Magistrate, District& Sessions Court, Faridabad, Haryana (the "**Hon'ble District Court**"), under Sections 138 and 141 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued towards payment for supply of aluminium alloy ingots. The complainant alleged that the accused purchased aluminium alloy ingots against E-way Bill Nos. 331645136884 and 351650069922 and, towards discharge of the outstanding liability, issued Cheque No. 005068 dated February 02, 2024 for ₹9,04,706/- and cheque no. 005070 dated February 02, 2024 for ₹12,15,683/-, aggregating to approximately ₹21,20,389/-, drawn on HDFC Bank, Ramghat Road Branch, Aligarh. Upon presentation, the said cheques were dishonoured with the remark "Funds Insufficient". Thereafter, legal demand notices dated April 02, 2024 were issued to the accused persons calling upon them to make payment within the statutory period; however, as per the complaint, the accused failed to make payment, leading to filing of the present complaint. The complainant has prayed before the Hon'ble District Court to summon, try and punish the accused persons in accordance with law and to award compensation under Section 357 Cr.P.C. read with the provisions of the Negotiable Instruments Act. The matter shall be next heard on November 26, 2026.

***M/S Auto Recycling Systems Pvt Ltd v.s M/S Friction Tech Auto: Case no: NACT/41562/2024 under Ss.138&141* of the Negotiable Instruments Act, 1881before Sessions Court, Faridabad**

Auto Recycling Systems Private Limited ("**Complainant**") filed a complaint against M/s Friction Tech Auto ("**Accused No. 1**") and its partners/directors, namely Mr. Nitin Chaudhary ("**Accused No. 2**") and Mr. Puneet Gupta ("**Accused No. 3**"), before the Ilaqa Magistrate, District Court, Faridabad, Haryana (the "**Hon'ble District Court**"), under Sections 138 and 141 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheque issued towards payment for supply of aluminium alloy ingots. The complainant alleged that the accused purchased aluminium alloy goods against invoice no. ARS/2023-24/0472 dated February 20, 2024 for ₹28,92,195/- and, towards discharge of the outstanding liability, issued cheque no. 001590 dated March 20, 2024 for ₹28,92,195/-, drawn on ICICI Bank, Raj Nagar Branch, Ghaziabad, Uttar Pradesh. Upon presentation, the said cheque was dishonoured on June 13, 2024 with the remark "Exceeds Arrangement" vide return memo dated June 15, 2024. Thereafter, legal demand notices dated July 12, 2024 were issued to the accused persons calling upon them to make payment within the statutory period; however, as per the complaint, the accused failed to make payment, leading to filing of the present complaint. The complainant has prayed before the Hon'ble District Court to summon, try and punish the accused persons in accordance with law and to award compensation under Section 357 Cr.P.C. read with the provisions of the Negotiable Instruments Act. The matter shall be next heard on November 12, 2026.

***M/S Auto Recycling Systems Pvt Ltd v.s M/S Kube Auto Tech Pvt Ltd and ORS: Case no: NACT/693/2024 under S.138&141* of the Negotiable Instruments Act, 1881before Sessions Court, Faridabad**

Auto Recycling Systems Private Limited ("**Complainant**") filed a complaint against Kube Auto Tech Private Limited ("**Accused No. 1**") and its directors, namely Mr. Sami Jain ("**Accused No. 2**") and Mr. Ayush Jain ("**Accused No. 3**"), before the Ilaqa Magistrate, District Court, Faridabad, Haryana (the "**Hon'ble District Court**"), under Sections 138 and 141 of the Negotiable Instruments Act, 1881 in relation to dishonour of cheques issued towards payment for supply of aluminium alloy ingots. The complainant alleged that the accused purchased aluminium alloy ingots against E-way Bill No. 371660832563 dated September 24, 2023 for ₹14,01,191/-, E-way Bill No. 31166990263 dated October 06, 2023 for ₹14,85,042/-, and E-way Bill No. 381674065596 dated October 19, 2023 for ₹16,91,129/-. According to the complaint, after adjustment of a payment of ₹7,50,000/-, a total outstanding liability of ₹45,62,922/- remained payable by the accused persons. Towards discharge of the said liability, the accused issued cheque no. 001924 dated October 31, 2023 for ₹13,96,778/- drawn on ICICI Bank, Gopal Das Bhawan, Connaught Place, New Delhi, cheque no. 000136 dated November 15, 2023 for ₹14,81,732/- drawn on HDFC Bank, Stellar IT Park, Noida, and cheque no. 000342 dated December 15, 2023 for ₹16,87,412/- drawn on HDFC Bank, Stellar IT Park, Noida. Upon presentation, the said cheques were dishonoured on January 08, 2024, with the remark "Funds Insufficient" vide return memos dated January 11, 2024. Thereafter, legal demand notices dated February 01, 2024 were issued to the accused persons calling upon them to make payment within the statutory period; however, as per the complaint, the accused failed to make payment, leading to filing of the present complaint. The complainant has prayed before the Hon'ble District Court to summon, try and punish the accused persons in accordance with law and to award compensation under Section 357 Cr.P.C. read with the provisions of the Negotiable Instruments Act. The matter shall be next heard on October 19, 2026.

**b. Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by our Company.

**c. Litigation involving Tax Liability**

***Direct Tax:***

| Sr. No | Assessment Year | Demand Reference Number | Demand Amount (Rs in Lakhs) | Current Status |
|---|---|---|---|---|
| 1. | 2025 | 202620253745854596 5C | 5.38 | The amount is outstanding on the Income Tax portal. |

***Indirect Tax:***

| Sr. No | Entity and GSTIN | Name of Authority | Notice/Demand Ord ID & Period | Notice/Order Description | Amount in Dispute | Current Status |
|---|---|---|---|---|---|---|
| 1. | M/S Auto Recycling Systems Private Limited 06AAUCA5727H1ZC **Date**:16/03/2021 | Palwal Ward, Excise and Taxation Department, Haryana | Notice for Seeking Additional Information / Clarification / Documents relating to Application for Registration. **Reference Number**: ZA060321103721 9 | Notice seeking additional information/clarification/ documents in relation to the application for GST registration. The department observed that the uploaded business documents were incorrect and that the address details of the principal place of business were incomplete. | | As per the latest order dated 14/05/2026, the Company has been directed to make payment of the outstanding dues on or before 12/08/2026, failing which recovery proceedings may be initiated by the Department. |
| | | | Form GST DRC-01A For the period April 2023 to September 2023. | Intimation of tax ascertained as payable on account of differences between GSTR-2A and GSTR-3B returns for the period April 2023 to September 2023. The department alleged discrepancy in liability between the returns resulting in proposed GST liability and interest. | **Total Liability**: Rs. 2,79,288/- (Tax: Rs. 2,63,480/- and Interest: Rs. 15,808/-) | |
| | | | Form GST REG-03 **Reference Number**: ZA06042406303 3Z | Notice seeking additional information/ clarification/ documents in relation to the application for amendment of GST registration. The department observed that the proof of principal place of business attached with the application was not legible and directed the applicant to furnish a legible copy of the supporting document. | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | Form GSTR-3A<br><br>**Reference No**: ZA060225107173 2 | Notice issued to return defaulter for non-filing of GSTR-3B return for the relevant tax period within the prescribed due date. The notice called upon the assessee to furnish the pending return failing which assessment proceedings under Section 62 of the CGST Act, 2017 could be initiated along with levy of applicable interest and penalty. | | |
| | | | Order in Form GST DRC-07 For the tax period of 2024- 25 | Order passed disallowing input tax credit allegedly availed from non- existing/fake suppliers. The department alleged that the Company had availed and utilized ineligible/fake IGST input tax credit from M/s Ashoka Trading Company (GSTIN: 07BEBPK8961E1 ZF), which was declared a non- existent entity during the special all-India drive against fake GST registrations. The department further alleged that the supplier had received fake ITC from suspended/cancelled entities and subsequently passed on such fake ITC to the Company. The Company submitted replies along with invoices, e-way bills, transport documents, weighbridge records, ledger statements, bank statements and GST records in support of actual receipt of goods and genuineness of transactions, however the same were not accepted by the department. M/s Ashoka Trading Company was a | **Total Liability**: Rs. 9,27,05,64 1/- (Tax: Rs. 4,37,29,07 6/-, Interest: Rs. 52,47,489/ - and Penalty: Rs. 4,37,29,07 6/-) | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | non-existing entity and that the Company had availed and utilized fake/ineligible ITC on the basis of fake invoices. | | |
| | | | Order under Section 74<br><br>**Reference No**. ZD060526017249C | Order passed in relation to alleged excess ITC claimed by the Company. The department created demand under Section 74 of the GST Act, 2017 alleging wrongful availment of excess IGST input tax credit during the relevant tax period. | **Total Liability**: Rs. 9,27,05,641/- (Tax: Rs. 4,37,29,076/-, Interest: Rs. 52,47,489/- and Penalty: Rs. 4,37,29,076/-) | |

**2. LITIGATIONS INVOLVING OUR PROMOTERS**

***Litigations filed against our Promoters***

**a. Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated against our Promoters.

**b. Actions by regulatory and statutory authorities**

As on the date of this Draft Red Herring Prospectus, there are no actions initiated by Statutory or Regulatory Authorities against our Promoters.

**c. Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated or pending against our Promoters.

***Litigations filed by our Promoters***

**a. Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated by our Promoters.

**b. Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by our Promoters.

**c. Litigation involving Tax Liability**

***Direct Tax:*** Nil

***Indirect Tax:*** Nil

**3. LITIGATIONS INVOLVING OUR DIRECTORS OTHER THAN PROMOTERS**

***Litigation filed against our Directors***

**a. Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated against our Directors.

**b. Actions by regulatory and statutory authorities**

As on the date of this Draft Red Herring Prospectus, there are no actions initiated by Statutory or Regulatory Authorities against our Directors.

**c. Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated or pending against our Directors.

***Litigations filed by our Directors***

**a. Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated by our Directors.

**b. Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by our Directors.

**c. Litigation involving Tax Liability**

***Direct Tax:***

| Sr. No | Assessment Year | Demand Reference Number | Demand Amount | Current Status |
|---|---|---|---|---|
| 1. | 2023 | 20262023374496206 50T | Rs. 41,813/- | The amount is outstanding on the Income Tax portal. |

***Indirect Tax:*** Nil

**4. LITIGATION INVOLVING KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

***Litigations filed against our Key Managerial Personnel and Senior Management***

**a. Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated against our Key Managerial Personnel and Senior Management.

**b. Actions by regulatory and statutory authorities**

As on the date of this Draft Red Herring Prospectus, there are no actions initiated by Statutory or Regulatory Authorities against our Key Managerial Personnel and Senior Management.

**c. Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated or pending against our Key Managerial Personnel and Senior Management.

***Litigations filed by our Key Managerial Personnel and Senior Management***

**a. Criminal Proceedings**

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated by our Key Managerial Personnel and Senior Management.

**b. Material civil proceedings**

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by our Key Managerial Personnel and Senior Management.

**5. TAX CLAIMS**

Except as disclosed below, there are no proceedings related to direct and indirect taxes involving our Company, Promoters and Directors (other than promoters):

| Nature of Case | Number of cases | Total amount involved (Rs in Lakhs) |
|---|---|---|
| ***Involving Our Company*** | | |
| Direct Tax | 1 | 5.28 |
| Indirect Tax | 1 | 927.06 |

| | | |
|---|---|---|
| ***Our Promoters*** | | |
| Direct Tax | NIL | NIL |
| Indirect Tax | NIL | NIL |
| ***Our Directors (other than Promoters)*** | | |
| Direct Tax | 1 | 0.42 |
| Indirect Tax | NIL | NIL |
| **Total** | **3** | **932.76** |

*As certified by M Parashar & Co., Chartered Accountants pursuant to their certificate dated September 23, 2026.*

## 6. LITIGATION INVOLVING MATERIAL GROUP COMPANIES

### a. Criminal Proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations involving our Group Companies which has a material impact on our Company.

### b. Actions by regulatory and Statutory Authorities

As on the date of this Draft Red Herring Prospectus, there are no actions initiated by Statutory or Regulatory Authorities against our Group Companies has a material impact on our Company.

### c. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated or pending against our Group Companies has a material impact on our Company.

***Litigations filed by our Group Companies***

### a. Criminal Proceedings

As on the date of this Draft Red Herring Prospectus, there are no criminal litigations initiated by our Group Companies.

### b. Material civil proceedings

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by Group Companies has a material impact on our Company.

## 7. OUTSTANDING DUES TO CREDITORS

Our Board, in its meeting held on September 17, 2026, has considered and adopted the Materiality Policy. In terms of the Materiality Policy, creditors of our Company to whom an amount due is equal to or exceeds 5 % of the trade payables as on the date of latest restated financial statements of the Company have been considered as 'material' creditors.

As per the latest Restated Consolidated Financial Statements, our total trade payables as on March 31, 2026 was ₹ 860.96 lakhs. Accordingly, creditor has been considered 'material' if the amount due to such creditor is equal to or exceeds ₹ 43.05 lakhs as on March 31, 2026.

Based on these criteria, the outstanding amount owed to Micro, small and Medium Enterprises ("MSME"), creditors other than MSME and material creditors as on March 31, 2026, by our Company is set out below. Details of outstanding dues towards our material creditors are available on the website of our Company.

| Types of creditors | Number of creditors | Amount involved (₹ in lakhs) |
|---|---|---|
| Micro, small and medium enterprises | 36 | 327.68 |
| Creditors other than MSME | 122 | 533.28 |
| Material Creditors | 3 | 415.89 |

*As certified by M Parashar & Co., Chartered Accountants pursuant to their certificate dated September 23, 2026.*

## 8. MATERIAL DEVELOPMENT SINCE THE DATE OF LAST BALANCE SHEET

There have not arisen, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "***Management's Discussion and Analysis of Financial Position and Results of Operations***" beginning on page 251 of this Draft Red Herring Prospectus.

## GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/proposed business activities and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities. The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### I. Material approvals in relation to the Issue

Our Company has obtained the following material approvals in relation to the Issue:

**Corporate Approvals**

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on July 04, 2026, authorized the Issue subject to the approval of the shareholders of the Company under Sections 23 and 62(1)(c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
2. The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on July 07, 2026, authorized the Issue under Sections 23 and 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.

**Approvals from Stock Exchange**

1. Our Company has received in- principle listing approval from the BSE Limited dated [●] for listing of Equity Shares issued pursuant to the Issue.

**Agreements with NSDL and CDSL**:

1. The Company has entered into a tripartite agreement dated September 30, 2025 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is KFin Technologies Limited for the dematerialization of its shares.
2. The Company has entered into an agreement dated August 18, 2025, with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is KFin Technologies Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number ("ISIN") is INE2EZ201018.

### II. Material approvals in relation to the Company

The following statements set out the details of licenses, permissions and approvals obtained by the Company under various Central and State legislations for carrying out its business activities:

***A. Material approvals in relation to incorporation***

| S. No | Authorization granted | Issuing Authority | CIN | Date of Issue | Valid up to |
|---|---|---|---|---|---|
| 1. | Certificate of Incorporation in the name of "Auto Recycling Systems Private Limited" | Registrar of Companies, Central Registration Centre | U27200DL2020PTC374942 | December 24, 2020 | Perpetual |
| 2. | Fresh Certificate of Incorporation for name change from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited" | Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of | U27200DL2020PLC374942 | June 16, 2026 | Perpetual |

| | | | | | |
|---|---|---|---|---|---|
| | | Companies Central Processing Centre | | | |

***B. Material approvals in relation to the business***

| Sr. No. | Nature of Registration | Issuing Authority | Registration/ License/ Certificate No./Book No./ Memo No. | Date of Issue/ Validity from | Valid up to |
|---|---|---|---|---|---|
| 1. | UDYAM Registration Certificate* | Ministry of Micro, Small and Medium Enterprises, Government of India | UDYAM-DL-01-0003931 | January 06, 2021 | Valid till Cancelled |
| 2. | Legal Entity Identifier Certificate | Legal Entity Identifier Register India Private Limited | 335800CTII6D4MY8HF48 | September 04, 2025 | September 04, 2027 |
| 3. | Importer Exporter Code (IEC)* | Office of the Additional Director General of Foreign Trade, CLA Delhi under Ministry of Commerce and Industry | AAUCA5727H | February 16, 2021 | Valid till cancelled |
| 4. | Certificate of Verification (Form Legal Metrology No.-5 WM LM-5) | Inspector Legal Metrology, Palwal | Book No.: 15752 | November 24, 2025 | November 23, 2026 |
| 5. | Fire NoC (Factory Unit)* | Assistant Divisional Fire Officer/ Fire Station Officer, Palwal | FS/2026/97 | April 14, 2026 | April 13, 2029 |
| 6. | Consent to Establish* | Regional Officer, Palwal Haryana State Pollution Control Board | 843073222PALCTE16216848 | July 28, 2022 | July 27, 2027 |
| 7. | Consent to Operate* | Regional Officer, Palwal Haryana State Pollution Control Board | 843073223PALCTO33799102 | March 16, 2023 | March 31, 2027 |
| 8. | Periodic Inspection of Substation Transformer – 1 (315 KVA) | Office of the Executive Engineer, Electrical Inspectorate, Haryana | Application No. 1037269 Memo No. H.T.I.: Palwal/014407/2025 | December 05, 2025 | Valid till cancelled |
| 9. | Registration & License to work as a Factory*# | Chief inspector of Factories, Haryana, | PWL-ONLINE-GGN-A-274 | April 30, 2024 | December 31, 2027 |

| | | | | | |
|---|---|---|---|---|---|
| | | Chandigarh | | | |
| 10. | Registration Certificate of Establishment* | Department of Labour, Govt. of NCT of Delhi | 2025145555 | December 06, 2025 | Valid till cancelled |
| 11. | Approval letter for storing Liquid Oxygen in pressure vessels* | Jt. Chief Controller of Explosives, Controller of Explosives, Ministry of Commerce & Industry | A/S/NC/HN/03/242 (S119998) | July 17, 2025 | Valid till cancelled |
| 12. | IS 617:1994* | Bureau of Indian Standards | CM/L –9512530722 | June 05, 2024 | June 04, 2025 |
| 13. | ISO Certification: 14001:2015* | Royal Assessments Pvt. Ltd. | E2024028121 | February 29, 2024 | February 28, 2027 |
| 14. | ISO 14001:2015 | Royal Assessments Pvt. Ltd. | E20260954062 | September 23, 2026 | September 22, 2029 |
| 15. | ISO 45001 : 2018 | Auditech Certification Pvt.ltd | E20260953642 | September 15, 2026 | September 14, 2029 |

** The abovementioned approvals are in the erstwhile name of the Company i. e. Auto Recycling Systems Private Limited*

*# Company has filed application for name change.*

***C. Approval from tax authorities***

| S. No | Nature of Registration | Registration/ License/ Certificate No. | Issuing Authority | Date of Issue/ Validity from | Valid up to |
|---|---|---|---|---|---|
| 1. | Permanent Account Number (PAN) | AAUCA5727H | Income Tax Department | December 24, 2020 | Valid till Cancelled |
| 2. | Tax Deduction Account Number (TAN)* | DELA60584G | Income Tax Department | December 25, 2020 | Valid till cancelled |
| 3. | GST Registration Certificate (GST)* | 06AAUCA5727H1ZC | Goods and Services Tax Department | April 07, 2021 | Valid till cancelled |

** The abovementioned approvals are in the erstwhile name of the Company i. e. Auto Recycling Systems Private Limited*

*# Company has filed application for name change.*

***D. Labour and Commercial related***

| S. No | Nature of Registration | Registration/ License/ Certificate No./ Code No. | Issuing Authority | Date of Issue/ Validity from | Valid up to |
|---|---|---|---|---|---|
| 1. | Registration under Employees' Provident Fund* | DLCPM2266956000 | Employees' Provident Fund, Organisation under the Ministry of | December 24, 2020 | Valid till Cancelled |

| | | | | | |
|---|---|---|---|---|---|
| | | | Labour and Employment | | |
| 2. | Registration under Employees' State Insurance Corporation* | 11001322110000502 | Asstt/Dy. Director, Sub Regional Office, Employees State Insurance Corporation, New Delhi | December 24, 2020 | Valid till Cancelled |
| 3. | Registration under Employees' State Insurance Corporation* | Sub code No. 13111322110010502 | Asstt/Dy. Director, Sub Regional Office, Employees State Insurance Corporation, Haryana | May 17, 2026 | Valid till Cancelled |

**The abovementioned approvals are in the erstwhile name of the Company i. e. Auto Recycling Systems Private Limited*

**III. Material approvals applied for but not received**

| Sr. No. | Nature of Registration | Registration/ License/ Certificate No./ Memo No. | Issuing Authority |
|---|---|---|---|
| 1. | IATF 16949:2016 | 01 111 2536377 / 01 100 2536377 | TÜV Rhein land |
| 2. | Contract Labor Registration (Haryana) | 58104 | Additional Labour Commissioner, Haryana |
| 3. | Authorization under Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016.* | 148701210 | Haryana State Pollution Control Board |

**The abovementioned approvals are in the erstwhile name of the Company i. e. Auto Recycling Systems Private Limited*

**IV. Material approvals for which the Company is yet to apply**

| Sr. No. | Nature of Registration | Registration/ License/ Certificate No./ Memo No. | Issuing Authority |
|---|---|---|---|
| Nil | | | |

**V. Material approvals required but not obtained or applied for**

Nil

**VI. Intellectual Property**

**A. *Trademarks registered in the name of the Company***

| S. No. | Logo | Trademark Registration Number | Class | Date of Registration |
|---|---|---|---|---|
| Nil | | | | |

**B. *Trademarks applied by the Company that are pending for registration***

| S. No. | Logo | Trademark Application Number | Class | Date of Application | Status |
|---|---|---|---|---|---|
| **1.** | ARS | 7281496 | 6 | October 9, 2025 | Objected |
| **2.** | ARS Green | 7933884 | 6 | August 17, 2026 | Ready for Examination |

For risks in relation to our intellectual property, see the chapter titled ***"Risk Factors"*** beginning on page 16 of this Draft Red Herring Prospectus.

**VII. Domain Name**

| Sr. No. | Registry Domain ID | IANA ID | Registrar Name | Creation Date | Registry expiry Date |
|---|---|---|---|---|---|
| 1. | 3075933085_DOMAIN_COM-VRSN | 146 | GoDaddy.com, LLC | March 11, 2026 | March 11, 2029 |

## SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES

The definition of "Group Companies" pursuant to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to include companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards and also other companies as are considered material by the Board.

Pursuant to a Board resolution dated September 17, 2026 our Board has identified companies with which there were related party transactions, during the period for which financial information is disclosed and formulated a policy to identify other companies which are considered material to be identified as group companies, pursuant to which following companies are identified as Group Companies of our Company:

1. Sripa & RD Ventures Limited
2. Sarthak International Limited
3. Indo Australian Enterprise Pty Ltd

### DETAILS OF OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations, the following information based on the audited financial statements, in respect of Group Companies, for the last three years shall be hosted on the website of our Company:

- Reserves (excluding revaluation reserve)
- Sales
- Profit after tax
- Basic earnings per share
- Diluted earnings per share and
- Net asset value per share

**1. Sripa & RD Ventures Limited**

***Registered Office:***

14A/33 , III Floor, WEA, Karol Bagh, New Delhi, Central Delhi, Delhi – 110005, India.

***Financial Information:***

As required under the SEBI ICDR Regulations, financial information of Sripa & RD Ventures Limited are available on www.arsgreen.com derived from the audited financial statements for the financial years ended March 2025, March 2024 and March 2023.

***Current line of business:***

The Company is engaged in the business of trading and manufacturing company engaged in the import, export, stocking, and distribution of goods between international and domestic markets. Its business focuses on trading ferrous and non-ferrous metals, scrap, iron, steel, aluminum, brass, tin, nickel, and special steel products, as well as dealing in pulp, paper, cardboard, wall and ceiling papers, packaging cartons, and newsprint.

**2. Sarthak International Limited**

***Registered Office:***

14A/33 , III Floor, WEA, Karol Bagh, New Delhi, Central Delhi, Delhi – 110005, India.

***Financial Information:***

As required under the SEBI ICDR Regulations, financial information of Sarthak International Limited are available on www.arsgreen.com derived from the audited financial statements for the financial years ended March 2025, March 2024 and March 2023.

***Current line of business:***

The Company is engaged in the business of leasing and management of commercial real estate assets.

**3. Indo Australian Enterprise Pty Ltd**

***Registered Office:***

Suite 405/991, Whitehorse Road, Box Hill, VIC 3128.

***Financial Information:***

As required under the SEBI ICDR Regulations, financial information of Indo Australian Enterprise Pty Ltd are available on www.arsgreen.com derived from the last three annual reports*.

* As confirmed by the management of the Company, as on date of the Draft Red Herring Prospectus, the last annual reports of the company are maintained for the financial years ended June 30, 2022, June 30, 2021 and June 30, 2020.

***Current line of business:***

The Company is engaged in the business of International Trade of Metal scrap.

## PENDING LITIGATIONS

There is no pending litigation involving any of the above-mentioned group company which has a material impact on our company.

## GENERAL DISCLOSURE

- None of the securities of our Group Company are listed on any stock exchange and our Group Company has not made any public and/or rights issue of securities in the preceding three years.
- Our Group Company is not involved in any default in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Company.
- Our Group Company has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.
- Our Group Company has not been identified as a Willful Defaulter or Fraudulent Borrower.

## COMMON PURSUITS

Some of our Group Companies are involved in ventures which are in the same line of business as our Company as per their Memorandum of Association/Annual Report.

| Name of Group Company | Whether Memorandum of Association/Annual Report indicate similar line of business | Whether Non-compete agreement entered with the Group Company |
|---|---|---|
| Sripa & RD Ventures Limited | Yes, certain business activities overlap with certain aspects of the business carried on by our Company. | Non-compete agreement dated August 14, 2026. |
| Sarthak International Limited | No | Non-compete agreement dated August 14, 2026. |
| Indo Australian Enterprise Pty Ltd | Yes, certain business activities overlap with certain aspects of the business carried on by our Company. | Non-compete agreement dated August 14, 2026. |

For further details refer chapter titled "***Risk Factors***" beginning on page no. 16 of this Draft Red Herring Prospectus.

## RELATED BUSINESS TRANSACTIONS WITHIN OUR GROUP COMPANY AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF THE COMPANY

Except as disclosed in the Related Party Transactions in the chapter titled "***Restated Financial Statements***" beginning on page no. 207 of this Draft Red Herring Prospectus, there are no other related business transactions between the Group Company and our company.

## BUSINESS INTERESTS AMONGST OUR COMPANY AND GROUP COMPANIES

Except as disclosed in *"***Note 34 - Related Party Transactions"*** of the chapter titled as *"**Restated Financial Statements**"* beginning on page no. 207 of this Draft Red Herring Prospectus, our Group Company do not have any business interest in our Company.

## OTHER CONFIRMATIONS

Our Group Company is not listed on any stock exchange. Our Group Company has not made any public or rights issue of securities in the preceding three years.

## DETAILS OF LISTED DEBT SECURITIES OF OUR GROUP COMPANIES

As on date of this Draft Red Herring Prospectus, no debt securities issued by our Group Company are listed on any stock exchange in India or abroad.

## DISSOCIATION OF PROMOTERS IN THE LAST THREE YEARS

Our individual Promoters have not disassociated themselves from any Company/entity in the last three years.

## CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

Except as mentioned under the paragraph Changes in Significant Accounting Policies, under chapter titled "***Restated Financial Statements***" beginning on page no. 207 of the Draft Red Herring Prospectus, there have been no changes in the accounting policies in the last three years.

## SECTION XII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

***Corporate Approvals***

The Board of Directors has, pursuant to a resolution passed at its meeting held on July 4, 2026, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

The shareholders of the Company have, pursuant to a special resolution passed in Extra Ordinary General Meeting held on July 7, 2026, authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

Our Board has approved the Draft Red Herring Prospectus through its resolution dated September 28, 2026.

***In-Principal Approval***

Our Company has received an In-Principle Approval letter dated [●] from BSE Limited for using its name in this Draft Red Herring Prospectus for listing our shares on the SME Platform of BSE Limited is the Designated Stock Exchange for the purpose of this Issue.

### PROHIBITION BY SEBI, RBI OR GOVERNMENTAL AUTHORITIES

We confirm that our Company, Promoters, Promoter Group and Directors have not been declared as wilful defaulter(s) or fraudulent borrowers by the SEBI, RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

### CONFIRMATIONS

We confirm that our Company, Promoters, Promoter Group or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

- Neither our Company, nor Promoters, Promoter Group, nor any of our Directors or persons in control of our Company are/were associated as promoter, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.
- None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as Promoter or Director.
- Neither our Promoters, nor Promoter Group, nor any of our Directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, nor Promoter Group nor our Directors, are Wilful Defaulters or fraudulent borrowers.

### PROHIBITION BY RBI

Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrowers by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under chapter titled "***Outstanding Litigations and Material Developments***" beginning on page no. 266 of this Draft Red Herring Prospectus.

### PROHIBITION WITH RESPECT TO WILFUR DEFAULTER OR A FRAUDULENT BORROWER

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

### DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET:

Our Company, our Promoters, our Directors and our Promoter's Group, person(s) in control of the promoters or issuer, have not been prohibited from accessing the capital market or debarred from buying, selling, or dealing in securities under any order or direction passed by SEBI or any securities market regulators in any other jurisdiction or any other authority/ court.

### COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Draft Red Herring Prospectus, there are no such significant beneficial owners in our Company.

## ELIGIBILITY FOR THE ISSUE

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an **"Unlisted Issuer"** in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Issue in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post Issue face value paid-up capital is more than or equal to ten (10) crore and upto twenty-five crore rupees can Issue Equity Shares to the public and propose to list the same on the SME Platform of BSE Limited.

**We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to chapter titled ***"General Information"*** beginning on page no. 51 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to two hundred (200), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within Four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of Four (4) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act, 2013.
3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to chapter titled ***"General Information"*** beginning on page no. 51 of this Draft Red Herring Prospectus.
5. In accordance with Regulation 228(a) of the SEBI (ICDR) Regulations, our Company, its promoters, promoter group or directors are not debarred from accessing the capital markets by SEBI.
6. In accordance with Regulation 228(b) of the SEBI (ICDR) Regulations, the companies with which our promoters or directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI.
7. In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoter or directors is a wilful defaulter or a fraudulent borrower.
8. In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer's promoter or directors is a fugitive economic offender.
9. In accordance with Regulation 229(4) of the SEBI (ICDR) Regulations, our Company has not been converted from proprietorship/partnership firm or a limited liability partnership in the last financial year.
10. In accordance with Regulation 229 (5) of the SEBI (ICDR) Regulations, there has been no change of promoter of our Company or there are no new promoter's who have acquired more than fifty percent of the shareholding of our Company.
11. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to SME Platform of BSE and BSE is the Designated Stock Exchange.
12. In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, our Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
13. In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital is fully Paid-up.
14. In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoter is already in dematerialized form.
15. In accordance with Regulation 230(1)(f) of the SEBI (ICDR) Regulations, the size of offer for sell by shareholding is not exceeding twenty percent of the total Issue Size.

16. In accordance with Regulation 230(1)(g) of the SEBI (ICDR) Regulations, the shares offered for sale by selling shareholders is not exceeding fifty percent of such selling shareholder's pre-issue shareholding on a fully diluted basis.
17. In accordance with Regulation 230(1)(h) of the SEBI (ICDR) Regulations, the object of the issue should not consist of repayment of loan taken from promoter, promoter group or any related party, from the issue proceeds, directly or indirectly.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company has facilitated trading in demat securities and has entered into an agreement with both the depositories. Our Company has entered into an agreement with Central Depositary Services Limited (CDSL) dated September 30, 2025, and National Securities Depository Limited (NSDL) dated August 18, 2025, for dematerialization of its Equity Shares already issued and proposed to be issued.
2. In accordance with Regulation 245 (1) and (2) of the SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, the offer documents shall contain the following:

a) All material disclosures which are true and adequate so as to enable the applicants to take an informed investment decision;
b) Disclosures specified in the Companies Act, 2013;
c) Disclosures specified in Part A of Schedule VI;
d) Details pertaining to Employees' Provident Fund and Employee State Insurance Corporation;
e) Fees of Book Running Lead Manager

3. In accordance with Regulation 246 of the SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025 the Book Running Lead Manager shall ensure that the issuer shall file copy of the Prospectus with SEBI along with relevant documents as required at the time of filing the Prospectus to SEBI.
4. In accordance with Regulation 268 of the SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to two hundred (200), otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four (4) days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of fourth day, be liable to unblock such application money with interest as prescribed under the SEBI ICDR Regulations, and amendments thereto, the Companies Act 2013 and applicable laws.
5. Our Company has a website i.e. www.arsgreen.com.
6. The Equity Shares of our Company held by our Promoters are in dematerialized form; and
7. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.
8. There has been no change in the promoter(s) having significant change in control over the affairs of the Company in the one year preceding the date of filing application to SME Platform of BSE.

Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares. The point wise Criteria for SME Platform of BSE Limited and compliance thereof are given hereunder;

1. Our Company was incorporated as "Auto Recycling Systems Private Limited" as a private limited company under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated December 24, 2020, issued by Assistant Registrar of Companies. Further, our Company was converted from a private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of our Company dated May 12, 2026, and consequently, the name of our Company was changed from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited" and a fresh certificate of incorporation dated June 16, 2026, was issued to our Company by the Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre. The Corporate Identification Number of our Company is U27200DL2020PLC374942.

2. As on the date of this Draft Red Herring Prospectus, the Company has a Paid-up Capital of ₹ 16,00,00,000.00 comprising of 1,60,00,000 Equity shares and the Post Issue Paid-up Capital will be below ₹ 2,500.00 lakhs.

3. Based on the Restated Financial Statements as on March 31, 2026, the Company's net tangible assets for the financial year ended on March 31, 2026, was more than ₹ 3 Crores and the working is given below:

***(In ₹ Lakhs)***

| Particulars | March 31, 2026 |
|---|---|
| Net Assets | 2,603.28 |
| Less: Intangible Assets and Intangible Assets under Development | 0.00 |

| | |
|---|---|
| **Net Tangible Assets** | **2,603.28** |

4. Our Company was incorporated as private limited company under the name **"Auto Recycling Systems Private Limited",** under the provisions of the Companies Act, 2013 and the Certificate of Incorporation was issued by Assistant Registrar of Companies on December 24, 2020. Hence, our Company has track record of more than three years as on date of filing of this Draft Red Herring Prospectus.

5. Based on the Restated Financial Statements, Company's net worth for the 3 preceding financial years preceding the application date is given below and it has Net worth of atleast ₹ 1 Crore for 2 preceding full financial years:

***(In ₹ Lakhs)***

| Particulars | March 31, 2026 | March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| Paid-Up Share Capital | 800.00 | 800.00 | 800.00 |
| Reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account | 1,803.28 | 681.14 | 36.32 |
| **Net Worth** | **2,603.28** | **1,481.14** | **836.32** |

6. The Company confirms that it has operating profit of ₹ 1 Crore (earnings before interest, depreciation and tax) from operations for atleast 2 out of 3 previous financial years preceding the application date as per the Restated Financial Statements.

***(In ₹ Lakhs)***

| Particulars | March 31, 2026 | March 31, 2025 | March 31, 2024 |
|---|---|---|---|
| **Net Profit before Tax** | 1,376.63 | 786.26 | 37.24 |
| Add: Depreciation and Amortisation Expenses | 46.54 | 41.00 | 32.43 |
| Add: Finance Cost | 269.71 | 161.29 | 89.11 |
| Less: Other Income | (88.38) | (102.98) | (19.21) |
| **Operating Profit (EBITDA)** | **1,604.50** | **885.57** | **139.57** |

7. The Leverage ratio (Total Debts to Equity) of the Company as on financial year ended March 31, 2026 is 1.70:1 which is less than the limit of 3:1. The working is given below:

***(In ₹ Lakhs)***

| Particulars | March 31, 2026 |
|---|---|
| Long Term Borrowings | 781.90 |
| Short Term Borrowings | 3,641.58 |
| **Total Debt (A)** | **4,423.48** |
| **Net Worth (B)** | **2,603.28** |
| **Debt-Equity Ratio (A/B)** | **1.70** |

8. The Company confirms that no regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.

9. The Company further confirms that the Promoters or directors are not the promoters or directors (other than independent directors) of compulsory delisted companies by the Exchange and neither are they the promoters or directors of such companies on which the consequence of compulsory delisting is applicable/attracted or companies that are suspended from trading on account of noncompliance.

10. Our Company confirms that the directors are not disqualified/ debarred by any of the Regulatory Authority.

11. Our company confirms that there are no pending default in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.

12. There has been no change in name of company within the last one year.

13. Our Company has a website i.e. www.arsgreen.com
14. The Equity Shares of our Company held by our Promoters are in dematerialized form.
15. Our company has facilitated trading in demat securities and has entered into an agreement with both the depositories. Our Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated September 30, 2025, and National Securities Depository Limited dated August 18, 2025 for establishing connectivity.
16. There has been no change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.
17. The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.
18. The Net worth of our company as mentioned above is computed as per the definition given in SEBI (ICDR) Regulations.
19. Our Company has not been referred to NCLT under the Insolvency and Bankruptcy Code, 2016.
20. There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.
21. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under the Insolvency and Bankruptcy Code against the issuer and Promoting companies.
22. None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
23. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years.
24. We confirm that:

i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/ promoting company(ies), group companies, companies promoted by the promoters/ promoting company(ies) of the applicant company.

ii. There is no default in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders, banks, FIs by the applicant, promoters/ promoting company(ies), group companies, companies promoted by the promoters/ promoting company(ies) during the past three years.

iii. There are no litigations record against the applicant, promoters/ promoting company(ies), group companies, companies & promoted by the promoters/ promoting company(ies) except as stated in the chapter titled ***"Outstanding Litigation and Material Developments"*** beginning on page no. 266 of this Draft Red Herring Prospectus.

iv. There are no criminal cases/ investigation/ offences filed against the director of the company except as stated in the chapter titled ***"Outstanding Litigation and Material Developments"*** beginning on page no. 266 of this Draft Red Herring Prospectus.

We further confirm that we comply with all the above requirements/ conditions so as to be eligible to be listed on the SME Platform of BSE.

## DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE ISSUE DOCUMENT. THE BOOK RUNNING LEAD MANAGER, FINAAX CAPITAL ADVISORY PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE BOOK RUNNING LEAD MANAGER, FINAAX CAPITAL ADVISORY PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, FINAAX CAPITAL ADVISORY PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 26, 2026. IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS/RED HERRING PROSPECTUS/PROSPECTUS.**

**ALL APPLICABLE LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, DELHI- II IN TERMS OF SECTION 26 AND 30 OF THE COMPANIES ACT, 2013.**

## CAUTION - DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER ("BRLM")

Our Company and the Book Running Lead Manager accepts 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 instance and anyone placing reliance on any other source of information, including our website, www.arsgreen.com would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Book Running Lead Manager and our Company on September 7, 2026, and the Underwriting Agreement dated [●] entered into between our Company, Book Running Lead Manager and Underwriter, and the Market Making Agreement dated [●] entered into among our Company, Book Running Lead Manager and Market Maker.

All information will be made available by our Company and the Book Running Lead Manager 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 collection centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Applicants for any failure in uploading the Applications, due to faults in any software or hardware system, or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

## DISCLAIMER CLAUSE OF THE BSE

As required, a copy of the Draft Red Herring Prospectus shall be submitted to the BSE SME. The Disclaimer Clause as intimated by the BSE SME to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Prospectus prior to the filing with RoC.

## COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS AND AMENDMENTS THERETO

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations and amendments thereto. The Exemption application under Regulation 300(1) of the SEBI ICDR Regulations, was sought for seeking exemption from filing details of the following group members of the Promoter group namely, Mr. Anil Kapoor, Mr. Rakesh Kapoor and Ms. Anita Khanna. In accordance with the advice of SEBI vide its letter dated June 16, 2026, we are classifying and disclosing the Related Persons and their connected entities as part of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and have informed them accordingly. Further, we have been unable to

obtain information in respect of such Related Persons and their connected entities, and accordingly, all applicable disclosures pertaining to them in this Draft Red Herring Prospectus are based on information available in the public domain. An appropriate Risk Factor in this regard, along with details of the relationship-wise classification as stated in the sworn affidavit filed with SEBI, has been included in the chapter titled ***"Risk Factors"*** beginning on page 16 of this Draft Red Herring Prospectus.

## DISCLAIMER FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors, our Promoter and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Agreement entered between the Book Running Lead Manager and our Company on September 7, 2026 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company. All information shall be made available by our Company and the Book Running Lead Manager 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 collection centers or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Note: Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company and will not offer, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our Company, the Underwriters and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

## DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Draft Red Herring Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares issued 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. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at 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.

Accordingly, the Equity Shares represented thereby 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 sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.

## DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the **"Securities Act"**) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, **"U.S. persons"** (as defined in Regulations of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to **"qualified institutional buyers"**, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create 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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## FILING OF DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS/ PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

The Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus shall be filed with SME Platform of BSE Limited (the **"BSE SME"**) in terms of Regulation 246 (2) of SEBI ICDR Regulations.

Draft Red Herring Prospectus will not be filed with SEBI nor will SEBI issue any observation on the Draft Prospectus in term of Regulation 246(2) of the SEBI ICDR Regulations. However, pursuant to Regulation 246(5) of SEBI ICDR Regulations and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in.

A copy of Draft Red Herring Prospectus will be available on website of the company www.arsgreen.com and Book Running Lead Manager finaaxcapital.com

A copy of the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus, along with the material contracts and documents referred elsewhere in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus, will be delivered to the office of Registrar of Companies, Delhi-II situated at 8th Floor, Lok Nayak Bhawan, Khan Market, New Delhi – 110003, India and the same will also be available on the website of the company www.arsgreen.com.

## LISTING

Application will be made to the SME Platform of BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE SME is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

The SME Platform of BSE Limited has given its in-principle approval for using its name in our Issue Documents for listing our shares on the SME Platform of BSE Limited vide its letter dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE SME, our Company shall refund through verifiable means the entire monies received within the prescribed time of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within the prescribed time after the company becomes liable to repay it the company and every director of the company who is an officer in default shall, on and from the expiry of the prescribed time, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Our Company will ensure that all steps for completion of necessary formalities for listing and commencement of trading at the BSE SME mentioned above are taken within three (3) Working Days from the Issue Closing Date.

## 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 - any person who is found to be guilty of fraud involving an amount of at least ₹10 (Ten) Lakh rupees or 1% (One per cent.) of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than 6 (Six) months but which may extend to 10 (Ten) years (provided that where the fraud involves public interest, such term shall not be less than 3 (Three) years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (Three) times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ₹10 (Ten) Lakh rupees or 1% (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 5 (Five) years or with fine which may extend to ₹50 (Fifty) Lakh rupees or with both.

## CONSENTS

Consents in writing of (a) Our Directors, Promoters, Company Secretary & Compliance Officer, Chief Financial Officer, Senior Management Personnel (SMP), Statutory Auditors and Peer Review Auditor, Banker to the Company; (b) Book Running Lead Manager to the Issue, Registrar to the Issue , Legal Advisor to the Issue , Banker to the Issue (Sponsor Bank)*, Underwriter to the Issue* and Market Maker* to the Issue to act in their respective capacities have been obtained as required under Section 26 of the Companies Act and will be filed along with a copy of the Prospectus with the RoC and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of Prospectus with RoC and their consents will be taken while filing the Prospectus with RoC.*

Our Company has received written consent dated September 8, 2026 from M/s. M Parashar & Co, being Peer Review Auditor, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 (5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an **"expert"** as defined under Section 2(38) of the Companies Act, 2013 and in respect of their (i) examination report dated September 16, 2026 relating to the Restated Financial Statement; included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

## EXPERTS OPINION

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

Our Company has received written consent dated September 8, 2026 from M/s. M Parashar & Co, Peer Reviewed Auditor, to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated September 16, 2026 on our restated financial information; and (ii) the Statement of "Special Tax Benefits" in this Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated September 7, 2026 from the Independent Chartered Engineer namely, Sanjiv Raghvendra Betdur 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 "Expert" as defined under section 2(38) of the Companies Act, 2013 in respect to their Certificate dated September 11, 2026 issued by them, included in 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 5 (FIVE) YEARS AND PERFORMANCE VIS-À-VIS OBJECTS

Our Company has not made any previous public or rights issue during the last 5 (Five) years preceding the date of this Draft Red Herring Prospectus except as disclosed in this Draft Red Herring Prospectus. Please refer to chapter titled

"***Capital Structure***" beginning on page no. 62 of this Draft Red Herring Prospectus.

## PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

For a detailed description, please refer to chapter titled "***Capital Structure***" beginning on page no. 62 of this Draft Red Herring Prospectus.

## COMMISSION OR BROKERAGE ON PREVIOUS ISSUES SINCE INCORPORATION OF THE COMPANY

Since this is the Initial Public Offering of our Company's 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 the Equity Shares in the 5 (Five) years preceding the date of this Draft Red Herring Prospectus.

## CAPITAL ISSUE DURING THE PREVIOUS 3 (THREE) YEARS

Except as disclosed in the chapter titled "***Capital Structure***" beginning on page no. 62 of this Draft Red Herring Prospectus, our Company has not made any capital issues in the last three years preceding the date of this Draft Red Herring Prospectus.

Further, our company does not have any listed Group Companies/ Subsidiaries/ Associates, hence issue of capital during the last three years is not applicable.

## PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC / RIGHTS ISSUE OF OUR COMPANY

Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed promoters, group companies, subsidiaries or associates, Performance vis-à-vis Objects is not applicable.

## STOCK MARKET DATA OF THE EQUITY SHARES

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

## STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY FINAAX CAPITAL ADVISORY PRIVATE LIMITED

For details regarding the track record of the public issues managed by Book Running Lead Manager as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI; please see the website of Book Running Lead Manager i.e www.finaaxcapital.com.

**Statement on Price Information of Past Issues handled by Finaax Capital Advisors Private Limited**

| S. No. | Issue Name | Issue Size (₹ in Cr.) | Issue Price (₹) | Listing Date | Opening Price on Listing Date (₹) | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 30th Calendar Days from Listing | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 90th Calendar Days from Listing | +/- % Change in Closing Price, (+/- % Change in Closing Benchmark) 180th Calendar Days from Listing |
|---|---|---|---|---|---|---|---|---|
| **Initial Public Offering – Main Board – N.A.** | | | | | | | | |
| **Initial Public Offering – SME Exchange** | | | | | | | | |
| 1. | Curis Lifesciences Ltd | 27.52 | 128.00 | November 14, 2025 | 146.10 | -12.50% (+0.53%) | -17.93% (-0.40%) | 3.13% (-9.64%) |
| 2. | Astron Multigrain Limited | 18.40 | 63.00 | December 8, 2025 | 50.40 | -68.56% (-0.17%) | -71.03% (-7.27%) | -73.17% (-12.76%) |
| 3. | Fractal Industries Limited | 49.00 | 216.00 | February 24, 2026 | 229.00 | -5.56% (-8.46%) | -0.51% (-6.98%) | -6.02% (-5.70%) |

**Summary Statement of Disclosure**

| Financial Year | Total no. of IPOs | Total amount of funds raised (₹ Cr.) | No. of IPOs trading at discount-30th calendar days from listing | | | No. of IPOs trading at Premium-30th calendar days from listing | | | No. of IPOs trading at discount- 180th calendar days from listing | | | No. of IPOs trading at Premium- 180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50 % | Between 25-50% | Less than 25 % | Over 50 % | Between 25-50% | Less than 25 % | Over 50 % | Between 25-50% | Less than 25 % | Over 50 % | Between 25-50% | Less than 25 % |
| 2025-26 | 03 | 94.92 | 1 | - | 2 | - | - | - | 1 | - | 1 | - | - | 1 |

**Note:**

a) Based on date of listing.

b) CNX NIFTY and BSE SENSEX have been considered as the benchmark index.

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 the 30th /90th /180th calendar day is a holiday or scrips are not traded, then data from previous trading day has been considered.

f) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings) managed by the Book Running Lead Manager. Hence, disclosures is restricted to last 10 equity issues handled by Book Running Lead Manager.

**MAIN BOARD IPO:**

| Finanial Year | Total no. of IPOs | Total amount of funds raised (₹ Cr.) | No. of IPOs trading at discount-30th calendar days from listing | | | No. of IPOs trading at Premium-30th calendar days from listing | | | No. of IPOs trading at discount- 180th calendar days from listing | | | No. of IPOs trading at Premium- 180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50 % | Between 25-50% | Less than 25 % | Over 50 % | Between 25-50% | Less than 25 % | Over 50 % | Between 25-50% | Less than 25 % | Over 50 % | Between 25-50% | Less than 25 % |
| 2025-26 | N.A. | | | | | | | | | | | | | |

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchange, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Issue in case of any Pre-Issue or Post-Issue 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.

All grievances relating to the Issue, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Application Form was submitted, giving full details such as name of the Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID, date of Application

Form and the name and address of the relevant Designated Intermediary where the Application was submitted. Further, the Applicant must enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to the Application submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 202, SEBI/HO/CFD/DIL2/CIR/P/2022/51 date April 20,2021 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for a delay beyond this period of 15 days. Further, the investors must be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the event of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for the stipulated period. In an event there is a delay in redressal of the investor grievance, the Book Running Lead Manager will compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

All grievances relating to the issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares Application for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicant or through UPI Mechanism, giving full details such as name, address of the Applicant, Application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicant or Sponsor Bank.

For helpline details of the Book Running Lead Manager pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see chapter titled "***General Information***" beginning on page no. 51 of this Draft Red Herring Prospectus.

Further, the Applicant must 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 Issue will obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Applicant. Our Company, the Book Running Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre- Issue or Post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company will obtain authentication on the SCORES and will comply with the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013, SEBI circular no. (CIR/OIAE/1/2014/ CIR/OIAE/1/2013) dated December 18, 2014 and SEBI SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021, in relation to redressal of investor grievances through SCORES. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in.

Our Company has not received any complaints as on the date of this Draft Red Herring Prospectus.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Applicants) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) 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 has appointed Jyoti Bala Soni as the Company Secretary and Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems, at the address set forth hereunder.

**Jyoti Bala Soni**

**C/o. Auto Recycling Systems Limited**

14/A33, IIIrd Floor, Channa Market Wea, Karol Bagh,

Central Delhi, New Delhi, Delhi-110005, India

**Telephone**: +91 01275-299580

**Email**: info@arsgreen.com

**Website:** www.arsgreen.com

## STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

## DISPOSAL OF INVESTOR GRIEVANCES BY LISTED COMPANIES UNDER THE SAME MANAGEMENT AS OUR COMPANY OR OUR LISTED SUBSIDIARIES:

We do not have any listed company under the same management or subsidiary company.

Further, our Company has constituted a Stakeholders' Relationship Committee, which is responsible for review and redressal of grievances of the security holders of our Company. For details, see chapter titled "***Our Management***" beginning on page no. 184 of this Draft Red Herring Prospectus.

## OTHER CONFIRMATIONS

Any person connected with the Issue will not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Issue, except for fees or commission for services rendered in relation to the Issue.

## FEES PAYABLE TO LM TO THE ISSUE

The total fees payable to the Book Running Lead Manager will be as per the Memorandum of Understanding for Initial Public Offer, a copy of which is available for inspection at the Registered Office of our Company.

## FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

## FEES PAYABLE TO OTHERS

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor and Peer Review Auditor, Market maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

## OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Red Herring Prospectus.

## CAPITALIZATION OF RESERVES OR PROFITS DURING LAST 5 (FIVE) YEARS

Except as disclosed under chapter titled "***Capital Structure***" beginning on page no. 62 of this Draft Red Herring Prospectus, our Company has not capitalized Reserves or Profits during last five years.

## REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets during last five years

## EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has made application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking an exemption from filing details of the following group members of the Promoter group namely, Mr. Anil Kapoor, Mr. Rakesh Kapoor and Ms. Anita Khanna in this Draft Red Herring Prospectus. However, our exemption application has been rejected by SEBI vide letter dated June 16, 2026 and has directed us to classify and disclose the Related Persons and their connected entities as part of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and have inform them about such inclusion. For more details, please refer the section chapter titled ***"Our Promoters and Promoter Group"*** beginning on page 201 of this Draft Red Herring Prospectus.

## SECTION XIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (**'CAN'**) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock exchange, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

### RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

### AUTHORITY FOR THE ISSUE

The present Public Issue of upto 69,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on July 4, 2026, and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on July 7, 2026, in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to chapter titled ***"Dividend Policy"*** beginning on page no. 206 of the Draft Red Herring Prospectus.

### FACE VALUE, ISSUE PRICE AND PRICE BAND

The face value of each Equity Share is ₹10/- and the Floor Price is ₹[●]/- per Equity Share and the Cap Price is ₹[●]/- per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, in the Pre Issue and Price Band advertisement in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and all editions of [●], regional newspaper (the regional language of Delhi, where our Registered Office is located), each with wide circulation, at least Two Working Days prior to the Bid/ Issue Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to chapter titled ***"Description of Equity Shares and Terms of The Articles of Association"*** beginning on page no. 340 of this Draft Red Herring Prospectus.

## ALLOTMENT ONLY IN DEMATERIALIZED FORM

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated August 18, 2025, between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated September 30, 2025, between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In accordance with Regulation 267(2) of the SEBI ICDR (Amendment) Regulations, 2025, our Company shall ensure that the minimum application size shall be two lots per application. Provided that the minimum application size shall be above ₹ 2 Lakhs.

As per the provisions of the Depositories Act, 1996 & Regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

***Further, in accordance with SEBI ICDR (Amendment) Regulations, 2025, the minimum application size in terms of number of specified securities shall not be less than 2 Lots and shall be above ₹2 Lakhs.***

## MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 268(1) of SEBI ICDR Regulation, 2018, the minimum number of allottees in this Issue shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment

will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within two (2) working days of closure of Issue.

## JOINT HOLDERS

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, 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 in accordance with Section 72 of the Companies Act, 2013 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 of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the 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 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys 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 Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) 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. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an Issue of the Equity Shares, our Company shall file a fresh Prospectus with Stock Exchange.

## PERIOD OF OPERATION OF SEBSCRIPTION LIST OF PUBLIC ISSUE

| | | | |
|---|---|---|---|
| **ISSUE OPENS ON** | **[●]** | **ISSUE CLOSES ON** | **[●]** |
| **ANCHOR INVESTOR BID/ISSUE*** | | **[●]** | |

**The Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be One Working Day prior to the Bid/Issue Opening Date.*

**An indicative timetable in respect of the Issue is set out below:**

| Event | Indicative Date |
|---|---|
| Issue Opening Date | **[●]** |

| Event | Indicative Date |
|---|---|
| Issue Closing Date | **[●]** |
| Finalization of Basis of Allotment with BSE (T+1) | On or before [●] |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2) | On or before [●] |
| Credit of Equity Shares to Demat accounts of Allottees (T+2) | On or before [●] |
| Commencement of trading of the Equity Shares on BSE (T+3) | On or before [●] |

**Note - Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be One Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*

***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/Issue 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/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.*

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

The above time table is indicative and does not constitute any obligation on our Company. 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 BSE is taken within 3 (Three) Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for IPOs. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Issue has been made under UPI Phase III, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

Any circulars or notifications from the SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

**Submission of Bids**

**Bid/Issue 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/ Issue Closing Date**

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST.

**On the Bid/ Issue Closing Date, the Bids shall be uploaded until:**

i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received

from Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue 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/Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, 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/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, 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 Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/hardware system or blocking of application amount by the SCSBs 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

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

## MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not be subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this issue document including devolvement of underwriters if any, in accordance with applicable laws, or if the subscription level falls below the thresholds mentioned above after the Bid/Issue Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares being offered in the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond four days, our Company and every Director of our Company who is an officer in default, to the extent applicable, shall pay interest at the rate of 15% per annum.

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Fresh Issue shall be hundred percent underwritten.Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations as amended, our Company shall ensure that the minimum application size shall not be less than two lots. Provided that minimum application size shall be above ₹ 2 Lakhs.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within 4 (Four) days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within 4 (Four) days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of 15% (fifteen per cent) per annum.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 200 (Two Hundred). In case the minimum number of prospective allottees is less than 200 (Two Hundred), no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No.: CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

## APPLICATION BY ELIGIBLE NRIS, FPIS OR VCFS REGISTERED WITH SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## RESTRICTIONS ON TRANSFER AND TRANSMISSION OF EQUITY SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the Pre-Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the chapter titled ***"Capital Structure"*** beginning on page no. 62 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer chapter titled ***"Description of Equity Shares and Terms of The Articles of Association"*** beginning on page no. 340 of this Draft Red Herring Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## ALLOTMENT OF SECURITIES IN DEMATERIALISED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

## MIGRATION TO MAIN BOARD

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025 to the extent applicable, our Company may migrate to the main board of BSE from the SME BSE platform of Exchange on a later date subject to fulfil the criteria as per SEBI (ICDR) Regulation and as per BSE policy for eligibility for migration of SME to BSE Mainboard:

**a. As per BSE guidelines:**

As per BSE migration policy, our Company may migrate its securities from the SME Platform of BSE Limited to main board platform of BSE Limited.

| Eligibility Criteria | Details |
|---|---|
| **Paid up Capital & Market Capitalization** | Atleast Rs. 10 Crores.<br>Average of 6 months market capitalisation Direct listing: Rs. 1000 crores (on Main Board) SME Migration to Main Board: Rs 100 crores Or Companies having revenue from operations of Rs. 100 crores or more for each of the immediately preceding 3 (three) full financial years |
| **Market Liquidity** | • At least 5% of the weighted average number of equity shares listed should have been traded during such six months' period.<br>• Trading on atleast 80% of days during such 6 months period<br>• Minimum average daily turnover of Rs. 10 lacs and minimum daily turnover of Rs. 5 lacs during the 6 month period<br>• Minimum Average no. of daily trades of 50 and minimum daily trades of 25 during the said 6 months period<br>Note: for the purpose of calculating the average daily turnover and average no. of daily trades, the aggregate of daily turnover and no. of daily trades on the days the scrip has traded, shall be divided by the total no. of trading days, respectively, during the said 6 months period.<br>Or<br>Companies having revenue from operations of Rs. 100 crores or more for each of the immediately preceding 3 (three) full financial years |
| **Operating Profit (EBIDTA)** | Average of Rs. 15 crores. on a restated consolidated basis, in preceding 3 years (of 12 months each), with operating profit in each of these 3 years, with a minimum of Rs. 10 crores in each of the said 3 years.<br><br>In case of name change within the last one year, at least 50% per cent. of the revenue, calculated on a restated and consolidated basis, for the preceding one full year has been earned by it from the activity indicated by its new name. |
| **Networth** | Rs. 1 crore - in each of the preceding three full years (of twelve months each), calculated on a restated and consolidated basis; |
| **Net Tangible Assets** | At least Rs. 3 Crores, on a restated and consolidated basis, in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:<br><br>Provided that if more than fifty per cent. of the net tangible assets are held in monetary assets, the company has utilised or made firm commitments to utilise such excess monetary assets in its business or project |
| **Promoter holding** | At least 20% at the time of making application.<br><br>For this purpose, shareholding of promoter group may also be considered for any shortfall in meeting the said requirement.<br>Note: The minimum promoter holding criterion shall not be applicable in case of diversified holdings or where there are no identifiable promoters, and the company is already listed on a recognized stock exchange with nationwide trading terminals and meeting all other eligibility criteria for migration or direct listing on the Main Board. |
| **Lock In of promoter/promoter group shares** | 6 months from the date of listing on the BSE. |

| | |
|---|---|
| | Note : The lock-in criterion shall not apply to companies already listed on a recognized stock exchange with nationwide trading terminals and meeting all other eligibility criteria for migration or direct listing on the Main Board. |
| **Regulatory action** | 1. No SEBI debarment orders is continuing against the Company, any of its promoters, promoter group or directors or the any other company in which they are promoter/ promoter group or directors.<br>2. The company or any of its promoters or directors is not a wilful defaulter or a fraudulent borrower.<br>3. Promoters or directors are not fugitive economic offender.<br>4. The company is not admitted by NCLT for winding up or under IBC pursuant to CIRP.<br>5. Not suspended from trading for non-compliance with SEBI (LODR) Regs or reasons other than for procedural reasons during the last 12 months. |
| **Promoter shareholding** | 100% in demat form |
| **Compliance with LODR Regs** | 3 years track record with no pending non-compliance at the time of making the application. |
| **Track record in terms of Listing** | Listed for atleast 3 years. |
| **Public Shareholder** | Minimum 1000 as per latest shareholding pattern |
| **Other Parameters** | 1. No pending Defaults w.r.t bonds/ debt instrument/ FD by company, promoters/ promoter group /promoting company(ies), Subsidiary Companies.<br>2. Certificate from CRA for utilization of IPO proceeds and further issues post listing on SME.<br>3. Not under any surveillance measures/actions i.e "ESM", "ASM", "GSM category" or T-to-T for surveillance reasons at the time of filing of application.<br><br>2 months cooling off from the date the security has come out of T-toT category or date of graded surveillance action/measure. |
| **Score ID** | No pending investor complaints on SCORES. |
| **Business Consistency** | Same line of business for 3 years at least 50% of the revenue from operations from such continued business activity |
| **Audit Qualification** | No audit qualification with regard to going concern or any material financial implication and such audit qualification is continuing at the time of application |

**b. As per ICDR guidelines:**

If the Paid up Capital of our Company is likely to increase above ₹2,500 Lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the Paid up Capital of our company is more than ₹1,000 Lakhs but below ₹2,500 Lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

For detailed criteria please refer to www.bseindia.com.

## MARKET MAKING

The shares offered through this Issue are proposed to be listed on the SME platform of BSE, wherein the BRLM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (Three) years from the date of listing on the SME platform of BSE. For further details of the agreement entered into between the Company, the BRLM and the Market Maker please refer to chapter titled ***"General Information"*** beginning on page no. 51 of this Draft Red Herring Prospectus.

## NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Delhi.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions 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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Offer is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, read alongwith SEBI ICDR (Amendment) Regulations, 2025, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than ₹ 10 Crores and upto ₹25 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE Limited i.e. SME Platform of BSE).For further details regarding the salient features and terms of such an Issue please refer chapter titled ***"Terms of The Issue"*** and ***"Issue Procedure"*** on page no. 295 and 310 of this Draft Red Herring Prospectus.

## ISSUE STRUCTURE

This Issue comprise of upto 69,00,000 Equity Shares of Face Value of ₹10/- each fully paid (The **"Equity Shares"**) for cash at a price of ₹[●]/- per Equity Shares (including a premium of ₹[●]/- per equity share) aggregating to ₹[●] Lakhs (**"The Issue"**) by the Company. Comprising for subscription by Market Makers to the Issue (the **"Market Maker Reservation Portion**"). The Issue less Market Maker Reservation Portion i.e., Issue of upto [●] equity shares of ₹10/- each for cash at a price of ₹[●]/- (including a Share premium of ₹[●]/- per Equity Share) per share aggregating to ₹ [●] Lakhs is hereinafter referred to as the (**"Net Issue"**). The Issue and the Net Issue will constitute [●] % and [●] % respectively of the post Issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Book Building Process.

| Particulars (1) | Market Maker Reservation Portion | QIBs (2) | Non-Institutional Applicants | Individual Investors/Bidders (Who applies for minimum application size) |
|---|---|---|---|---|
| **Number of Equity Shares** | Upto [●] Equity Shares. | Not more than [●] Equity Shares. | Not less than [●] Equity Shares. | Not less than [●] Equity Shares. |
| **Percentage of Issue Size available for allocation** | [●] % of the Issue Size. | Not more than 50% of the Net Offer being 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.<br><br>Mutual Funds participating in the Mutual Fund Portion willalso be eligible for allocation in the remaining QIB Portion.<br><br>The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.<br><br>Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors Forty per cent | Not less than 15% of the Net Issue. Further,<br><br>(a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs.<br><br>(b) two third of the portion available to non-institutional investors shall be reserved for | Not less than 35% of Net Issue. |

| Particulars (1) | Market Maker Reservation Portion | QIBs (2) | Non-Institutional Applicants | Individual Investors/Bidders (Who applies for minimum application size) |
|---|---|---|---|---|
| | | of the anchor investor portion, within the limits specified shall be reserved as under – (i) 33.33 per cent for domestic mutual funds; and (ii) 6.67 per cent for life insurance companies and pension funds: Any under-subscription in the reserved category specified in clause (ii) above may be allocated to domestic mutual funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations 2018. | applicants with application size of more than ₹10 lakhs:<br><br>Provided that the unsubscribed portion in either of the subcategories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of noninstitutional investors." | |
| **Basis of Allotment(3)** | Firm Allotment | Proportionate as follows: (excluding Anchor Investor Portion):<br><br>Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br><br>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.<br><br>Up to 60% of QIB Portion (of upto [●] Equity Shares) may be allocated on a discretionary basis to | Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares. | Proportionate basis subject to minimum allotment of [●] Equity Shares |

| Particulars (1) | Market Maker Reservation Portion | QIBs (2) | Non-Institutional Applicants | Individual Investors/Bidders (Who applies for minimum application size) |
|---|---|---|---|---|
| | | Anchor Investors, out of which forty percent (40%) shall be reserved in the following manner (i) 33.33% of the Anchor Investor Portion was reserved for domestic Mutual Funds; and (ii) 6.67% of the Anchor Investor Portion shall be reserved for Life Insurance Companies and Pension Funds, subject to valid Bids being received from domestic Mutual Funds and life insurance companies and pension funds at or above the price Anchor Investor Allocation Price. The unsubscribed portion in the Mutual Fund Portion was available for allocation to other QIBs. | | |
| **Mode of Bid** | Only through the ASBA process. | Only through the ASBA process. (Except for Anchor investors) | Through ASBA Process through banks or by using UPI ID for payment. | Through ASBA process through banks or by using UPI ID for payment. |
| **Minimum Bid Size** | [●] Equity Shares in multiple of [●] Equity shares. | Such num ber of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000. | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000 with application size of more than 2 lots. | Such number of Equity Shares and in multiples of [●] Equity Shares so that Bid size exceeds ₹200,000 and shall be two lots per application. |
| **Maximum Bid** | [●] Equity Shares. | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits. | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to | Such number of Equity Shares in multiples of [●] Equity Shares. |

| Particulars (1) | Market Maker Reservation Portion | QIBs (2) | Non-Institutional Applicants | Individual Investors/Bidders (Who applies for minimum application size) |
|---|---|---|---|---|
| | | | limits as applicable to the Bidder. | |
| **Mode of Allotment** | Compulsorily in dematerialized mode. | | | |
| **Trading Lot** | [●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations. | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof. |
| **Terms of payment** | **In case of all Other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.<br><br>**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] | | | |
| **Mode of Bid** | Only through the ASBA process (except for Anchor Investors). | | | Through ASBA Process or Through Banks or by using UPI ID for payment |

***Notes:***

*(1) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, read alongwith SEBI ICDR (Amendment) Regulations, 2025, as amended from time to time;*

*(2) Our Company and Promoter Selling Shareholder in consultation with the BRLM, may 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 ₹200.00 Lakhs, (ii) minimum of two and maximum of fifteen Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 Lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of fifteen Anchor Investors for allocation up to ₹2,500.00 Lakhs and an additional ten Anchor Investors for every additional ₹2,500.00 Lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 Lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹200.00 Lakhs. Forty per cent of the Anchor Investor Portion shall be reserved as: 33.33 per cent for domestic Mutual Funds and 6.67 per cent for life insurance companies and pension funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.*

*(3) The SEBI ICDR Regulation, 2018 read alongwith SEBI ICDR (Amendment) Regulations, 2025, permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for*

*allocation to Bidders with an application size of more than ₹10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of Equity Shares in the Non–Institutional investors category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in 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 of the SEBI (ICDR) (Amendment) Regulations, 2025. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.*

*(4) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for atleast 25% of the post offer paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*

*(5) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws;*

*(6) Anchor Investors are not permitted to use the ASBA process;*

*(7) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investors Application Forms provided that any difference between the Anchor Investors Allocation Price and the Anchor Investors Issue Price shall be payable by the Anchor Investors Pay-In Date as indicated in the CAN;*

*(8) SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the Bidders. Accordingly, Stock Exchanges shall, for all categories of Bidders viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 3, 2025 effective from the date of their publication in official gazette, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and allotment to Non-Institutional Investors shall be more than two lots, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see chapter titled ***"Terms of the Issue"*** beginning on page no. 295 of this Draft Red Herring Prospectus.

## WITHDRAWAL OF THE ISSUE

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the BRLM reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof. In case, the Company wishes to withdraw the Issue after Bid/Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The BRLM, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within 1 (One) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the filling of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with RoC.

## BID/ISSUE PROGRAMME

| Events | Indicative Dates |
|---|---|
| Bid/Offer Opening Date | [●] |
| Bid/Offer Closing Date | [●] |
| Finalization of Basis of Allotment with the Designated Stock Exchange (T+1) | On or before [●] |

| Events | Indicative Dates |
|---|---|
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2) | On or before [●] |
| Credit of Equity Shares to Demat accounts of Allottees (T+2) | On or before [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange (T+3) | On or before [●] |

*Note - Our Company in consultation with the BRLM, may consider participation by Anchor Investors inaccordance with the SEBI ICDR Regulations. The Anchor Investors Bid/Issue Period shall be 1 (One) Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period at the Bidding Centres mentioned in the Bid cum Application Form. Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

a) A standard cut-off time of 3.00 p.m. for acceptance of bids;

b) A standard cut-off time of 4.00 p.m. for uploading of bids received from other than individual applicants;

c) A standard cut-off time of 5.00 p.m. for uploading of bids received from only individual applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form for a particular bidder, the details as per physical bid cum applicationform of that Bidder may be taken as the final data for the purpose of allotment. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Delhi.

## ISSUE PROCEDURE

All applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI ("General Information Document") and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section "PART B – 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 Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated 3, January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) Designated Date; (viii) disposal of applications; (ix) submission of 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 vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (**"UPI"**) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for IBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (**"UPI Phase I"**). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by IBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by UPI Bidders ("UPI Phase III"), and modalities of the implementation of UPI Phase III has been notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue 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 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 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 (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.

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). The Book Running Lead Manager shall be the nodal entity for any issues arising out of public issuance process.

The BRLM shall be the nodal entity for any issues arising out of public issuance process. In terms of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and BRLM shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended by SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus and the Prospectus.

Further, our Company and the members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

This section applies to all the Applicants.

**Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, amongst others equity shares. Pursuant to the SEBI 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 IBs 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 Mechanism, the SEBI 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 II 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. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by IIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public offer closure to listing has been reduced from six Working Days to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

This Issue will be made under UPI Phase III of the UPI Circular.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchange and NPCI in order to facilitate collection of requests and/or payment instructions of the Individual Bidders using the UPI Mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the Book Running Lead Manager will be required to compensate the concerned investor.

For further details, refer to the General Information Document available on the website of the Stock Exchange and the Book Running Lead Manager.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public Offers where the application amount is up to ₹ 5,00,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a syndicate member
- a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ("broker")
- a depository participant ("DP") (whose name is mentioned on the website of the stock exchange as eligible for this activity) a registrar to the issue and shares transfer agent ("RTA") (whose name is mentioned on the website of the stock exchange as eligible for this activity)

## BOOK BUILDING PROCEDURE

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 252 of the SEBI ICDR Regulations. The Issue is being made through the Book Building Process, in compliance with Regulation 253(1) and 253(2) of the SEBI ICDR Regulation, 2018 read alongwith SEBI ICDR (Amendment) Regulations, 2025, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis, of which 40% of the Anchor Investor Portion shall be reserved for (i) 33.33% shall be reserved for domestic Mutual Funds; and (ii) 6.67% shall be reserved for Life Insurance Companies and Pension Funds subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In the event of undersubscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion). Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Issue 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 Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. The SEBI ICDR Regulation, 2018 read alongwith SEBI ICDR (Amendment) Regulations, 2025, permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than available for allocation two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than Portion will be availab-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the

availability of Equity Shares in the Non –Institutional investors category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in 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 of the SEBI (ICDR) (Amendment) Regulations, 2025.

Subject to valid bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under- subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories 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 dematerialized form. The Bid cum Application Forms which do not have the details of the bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

**Availability of Draft Red Herring Prospectus (DRHP)/ RHP/Prospectus and Application Forms**

The Memorandum containing the salient features of this Draft Red Herring Prospectus together with the Application Forms and copies of this Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Book Running Lead Manager to the Offer, Registrar to the Offer as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e.; www.bseindia.com. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

**Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE, at least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details or authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs 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 Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

i. Individual Investors (other than the Individual Investors using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

ii. Individual Investors 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.

iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the Issue through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid

Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

| Category | Colour of Application Form* |
|---|---|
| Anchor Investor*** | White |
| Resident Indians, including resident QIBs, Non-Institutional Investors, Individual Investors and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA) | Blue |

*Excluding electronic Bid cum Application Forms. *Electronic Bid cum Application Form will also be available for download on the website of the BSE (www.bseindia.com).*

*** Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.*

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by Individual Investors (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any Non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – "Designated Intermediaries").

| S. No. | Designated Intermediaries |
|---|---|
| 1. | An SCSB, with whom the bank account to be blocked, is maintained. |
| 2. | A syndicate member (or sub-syndicate member). |
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock Exchange as eligible for this activity) ('broker'). |
| 4. | A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity). |
| 5. | A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchangeas eligible for this activity). |

*Individual Investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.*

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

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| **For Applications submitted by Investors to SCSB:** | After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |

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| **For applications submitted by investors to intermediaries other than SCSBs:** | After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |
| **For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:** | After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock Exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock Exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

## WHO CAN APPLY?

As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 08, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 03, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains aprior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Draft Red Herring Prospectus for more details.

**Subject to the above, an illustrative list of Applicants is as follows:**

a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);

b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;

c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

d) QIBs;

e) Mutual Funds registered with SEBI;

f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;

g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);

h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;

i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
l) Foreign Venture Capital Investors registered with the SEBI;
m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
p) Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
q) Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
s) Insurance funds set up and managed by army, navy or air force of the Union of India;
t) Multilateral and bilateral development financial institution;
u) Eligible QFIs;
v) Insurance funds set up and managed by army, navy or air force of the Union of India;
w) Insurance funds set up and managed by the Department of Posts, India;
x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policiesapplicable to them.

**Applications not to be made by:**

**1. Minors (except under guardianship)**
**2. Partnership firms or their nominees**
**3. Foreign Nationals (except NRIs)**
**4. Overseas Corporate Bodies**

*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 Issued or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.*

## MAXIMUM AND MINIMUM APPLICATION SIZE

**1. For Individual Bidders:**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder exceed ₹ 2,00,000.

**2. For Other than Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be more than Minimum Bid Lot Size of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLM 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 applied for do not exceed the applicable limits under laws or regulations.

## METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the price band and the minimum bid lot size for the issue and the same shall be advertised in all editions of the [●], English national newspaper, all editions of Hindi national newspaper [●] and Edition of Regional newspaper [●] (Hindi Regional Language of Delhi) where the registered office of the company

is situated, each with wide circulation at least 2 (Two) Working Days prior to the Bid / Issue opening date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

a) The Bid / Issue Period shall be for a minimum of 3 (Three) Working Days and shall not exceed 10 (Ten) Working Days. The Bid/ Issue Period maybe extended, if required, by an additional 3 (Three) Working Days, subject to the total Bid/ Issue Period not exceeding 10 (Ten) Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Edition of Regional newspaper [●] (Hindi Regional Language of Delhi) where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the BRLM.

b) During the Bid/ Issue Period, Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept bids from anchor investors and ASBA bidders in specified cities and it shall have the right to vet the bids during the bid/ issue period in accordance with the terms of the Draft Red Herring Prospectus. ASBA bidders should approach the designated branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.

c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple bid and is liable to be rejected either before entering the bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of equity shares in this issue. However, the bidder can revise the bid through the revision form, the procedure for which is detailed under the paragraph "buildup of the book and revision of bids".

e) Except in relation to the bids received from the anchor investors, the BRLM the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. 1 (One) Working Day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in "Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" in the chapter titled ***"Issue Procedure"*** beginning on page no. 310 of this Draft Red Herring Prospectus.

h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.

i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.

j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for

unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such informationfrom the Registrar to the Issue.

## BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d) Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

## PARTICIPATION BY ASSOCIATES /AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

## OPTION TO SUBSCRIBE IN THE ISSUE

a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only**.** Investors will not have the option of getting allotment of specified securities in physical form.

b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

## INFORMATION FOR THE BIDDERS

1. Our Company and the BRLM shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (Three) Working Days before the Issue Opening Date.

3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the BRLM, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.

4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.

5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.

6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.

7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.

8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.

9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

## BIDS BY ANCHOR INVESTORS

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscriptionin the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 Lakhs. A Bidcannot 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 ₹200.00 Lakhs.
3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4) Bidding for Anchor Investors will open 1 (One) Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

- where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors;
- where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2,500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and

- where the allocation under the Anchor Investor portion is more than ₹2,500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2,500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2,500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.

6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue 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 BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
10) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

## BIDS BY ELIGIBLE NRI'S

Eligible NRIs or Overseas Citizen of India (OCI) may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their NonResident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation basis shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRI/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application.

**Investment by NRI or OCI on non-repatriation basis:**

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations - Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis - will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be

registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws. Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

## BIDS BY FPI INCLUDING FII'S

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

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 case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. 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.

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 off-shore derivate instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

i. such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and

ii. 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.

Bids by FPIs which utilize the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilize the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "MIM Structure"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with 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.

For details of investment by FPIs, see chapter titled ***"Restrictions on Foreign Ownership of Indian Securities"*** beginning on page no. 339. Participation of FPIs in the Issue is subject to the FEMA Rules.

As per the extent guidelines of the Government of India, OCBs cannot participate in this issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside

India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. However, large value funds for accredited investors of Category III AIFs may invest up to 20% of the investible funds in an investee company. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

## BIDS BY HUFS

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

## BIDS BY MUTUAL FUNDS

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

## BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis

and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

## 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 reserves the right to reject any bid without assigning any reason thereof.

Limited liability partnerships can participate in the Issue only through the ASBA process.

## APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

a. Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (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;

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 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 belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer 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% ofthe investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

**In addition to the above, certain additional documents are required to be submitted by the following entities:**

a. With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof;

b. With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof;

c. With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof;

d. With respect to Applications 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 Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the BRLM may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

*The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.*

## BIDS BY PROVIDENT FUNDS / PENSION FUNDS

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

## BIDS BY BANKING COMPANY

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make.

(i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and
(ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

## BIDS BY SCSB'S

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

## ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.

2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

## ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) BIDDERS

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

## TERMS OF PAYMENT

The entire Issue price of ₹[●]/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

## PAYMENT MECHANISM

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Individual Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked bythe Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

a. In case of resident Anchor Investors: "[●] IPO - Anchor Account - R".
b. In case of Non - Resident Anchor Investors: "[●] IPO - Anchor Account - NR".
c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

## ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.

2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5:00 p.m. of the Issue Closing Date.

3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to:

a. the applications accepted by them;

b. the applications uploaded by them;

c. the applications accepted but not uploaded by them; or

d. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking thenecessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBsor the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the BRLM nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to:

(i) The applications accepted by any Designated Intermediaries;
(ii) The applications uploaded by any Designated Intermediaries; or
(iii) The applications accepted but not uploaded by any Designated Intermediaries.

5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off - line electronic registration of applications subject to the condition that they will subsequently upload the off - line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the BRLM on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

| S. No. | Details* |
|---|---|
| 1. | Symbol |
| 2. | Intermediary Code |
| 3. | Location Code |
| 4. | Application No. |
| 5. | Category |
| 6. | PAN |
| 7. | DP ID |
| 8. | Client ID |
| 9. | Quantity |
| 10. | Amount |

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:

- Name of the Bidder;
- IPO Name;
- Bid Cum Application Form Number;
- Investor Category;
- PAN (of First Bidder, if more than one Bidder);

- DP ID of the demat account of the Bidder;
- Client Identification Number of the demat account of the Bidder;
- Number of Equity Shares Applied for;
- Bank Account details;
- Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number.

8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.

9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

11. In case of Non-Individual Bidders and Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in anyway be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 5:00 p.m. on the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

## BUILD OF THE BOOK

a. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
b. Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

## WITHDRAWAL OF BIDS

a. Individual Investors can withdraw their Bids until Bid/ Issue Closing Date. In case a Individual Investors wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
b. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

## PRICE DISCOVERY AND ALLOCATION

a. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price and the Anchor Investor Issue Price.
b. The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
c. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
d. In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
e. In case if the Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
f. Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20/- to ₹ 24/- per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|---|---|---|---|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00/- in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00/-. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

## SIGNING OF UNDERWRITING AGREEMENT AND REGISTERING OF RED HERRING PROSPECTUS/PROSPECTUS WITH ROC

a. Our company has entered into an Underwriting Agreement dated [●];
b. A copy of Red Herring Prospectus will be filed with the ROC and copy of Prospectus will be filed with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

## PRE - ISSUE AND PRICE BAND ADVERTISEMENT

Subject to Section 30 of the Companies Act and Regulation 250 (4) and 264 (1) of the SEBI ICDR Regulations and amendments thereto, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-issue and price band advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] editions of the Delhi daily newspaper [●] (Hindi being the regional language of Delhi where our Registered Office is located) each with wide circulation.

In the pre- issue and price band advertisement, we shall state the Bid/ Issue Opening Date and the Bid/ Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act and Regulation 250(4) and 264(1) of the SEBI ICDR Regulation, 2018 read alongwith SEBI ICDR (Amendment) Regulations, 2025 shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR (Amendment) Regulations, 2025.

## GENERAL INSTRUCTIONS

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Individual Investor can revise their Bids during the Bid/ Issue period and withdraw their Bids until Bid/ Issue Closing date.

**Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.**

**Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Individual Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment;
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by Indiviudal Investor using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. 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 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;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹2,00,000/- (for Applications by Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. 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 Applicant;
14. 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;
15. 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);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

## OTHER INSTRUCTIONS FOR THE BIDDERS JOINT BIDS

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalfof the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her addressas per the Demographic Details received from the Depositories.

## MULTIPLE BIDS

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

## INVESTOR GRIEVANCE

In case of any Pre-Issue or Post-Issue related problems regarding demat credit/refund orders/unblocking etc. The Investors can contact the Compliance Officer of our Company.

## NOMINATION FACILITY TO BIDDERS

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

## SUBMISSION OF BIDS

a. During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids;
b. In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable);
c. For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the Draft Read Herring Prospectus.

## GROUNDS OF TECHNICAL REJECTIONS

**Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:**

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm assuch shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Draft Red Herring Prospectus;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

**For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.**

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

## BASIS OF ALLOCATION

a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus;

b) Under-Subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories;

c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

## ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Draft Red Herring Prospectus. No Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue.

**Flow of Events from the closure of bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details;
- RTA identifies cases with mismatch of account number as per bid file/Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection;
- Third party confirmation of applications to be completed by SCSBs on T+1 day;
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/Company for their review/comments;
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE);
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software;
- The RTA uploads the drawal numbers in their system and generates the final list of allotees as per process mentioned below:

**Process for generating list of allotees:**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket/batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category;
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times;
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications;
- On the basis of the above, the RTA will work out the allotees, partial allotees and non-allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

## BASIS OF ALLOTMENT

**a. For Individual Bidders:**

Bids received from the Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall bemade to the Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Individual Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or Red Herring Prospectus / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
- In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE):**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

ii) 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 allocation is being done to other Anchor Investors; and

iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹2 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2 crores and up to ₹25 crores subject to minimum allotment of ₹1 croresper such Anchor Investor; and
- in case of allocation above ₹25 crores; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to ₹25 crores and an additional 10 such investorsfor every additional ₹25 crores or part thereof, shall be permitted, subject to a minimum allotment of ₹1 crores per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

**d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

a. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
b. The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
c. For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

- Each successful Bidder shall be allotted [●] equity shares; and
- The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.

d. If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
e. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment willbe added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.

Individual Investor' means an investor who applies for minimum application size, as per SEBI (ICDR) Regulations, as amended. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Designated Person of BSE - the Designated Stock Exchange in addition to BRLM and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

**Issuance of Allotment Advice**

1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.
3) The BRLM or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
4) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 (Two) Working Days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within 1 (One) Working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 (Two) Working Days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

**Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in

ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (Broker) network of Stock Exchanges, who may notbe syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com, NSE i.e. www.nseindia.com with a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com, NSE i.e. www.nseindia.com.

**Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

**Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

**Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (Two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE where the Equity Shares are proposed to be listed are taken within 3 (Three) Working Days from Issue Closing Date.

**In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:**

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) Working Days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (Two) Working Days of the Issue Closing Date, would be ensured; and

3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further,in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

**Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

**Impersonation**

***Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below*:**

**"Any person who"**

(a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
(b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees 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 fifty lakh rupees or with both.

**Undertakings by Our Company**

***We undertake as follows:***

1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within 3 (Three) Working Days from Issue Closure date;
3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 2 (Two) Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5) That our Promoter 's contribution in full has already been brought in;
6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8) If our Company does not proceed with the Issue the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within 2 (Two) Days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9) If our Company withdraws the Issue after the Bid/ Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;

10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

**Utilization of Issue Proceeds**

**The Board of Directors of our Company certifies that:**

1) All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested;
4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue;
5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received; and
6) The BRLM undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily;

**Equity Shares in Dematerialized Form with NSDL or CDSL:**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

a. Tripartite Agreement dated August 18, 2025, between NSDL, the Company and the Registrar to the Issue;
b. Tripartite Agreement dated September 30, 2025, between CDSL, the Company and the Registrar to the Issue.

The Company's equity shares bear an ISIN No.: INE2EZ201018.

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## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("FDI") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy"), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee Company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non- resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Nondebt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. 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. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see ***"Issue Procedure"*** on page 310. Each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Investor shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue/ Period.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulations and the applicable laws of the jurisdiction where those Issues 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 Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. 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 Issue 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 Applicants. Our Company and the BRLM 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. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

## SECTION XIV- DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

### CONSTITUTION OF THE COMPANY

**Article 1:**

a) The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.

b) The regulations for the management of the Company and for the observance of the Shareholders thereof and their representatives shall be such as are contained in these Articles, subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013.

### INTERPRETATION

**Article 2:** Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

### A. DEFINITIONS

"**Act**" means the Companies Act, 2013, including any statutory modification or re-enactment or amendment, clarifications and notification thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous Company law, so far as may be applicable.

"**Annual General Meeting**" means a general meeting of the members held as such, in accordance with the provisions of the Act.

"**Articles**" or "**Articles of Association**" mean the articles of association or re-enactment thereof for the time being in force of the Company.

"**Beneficial Owner**" means a person as defined by section 2(1)(a) of the Depositories Act, 1996.

"**The Board**" or the "**Board of Directors**" means the collective body of the Directors of the Company.

"**Capital**" means the share capital, for the time being, raised or authorised to be raised, for purposes of the Company.

"**Company**" or "**this Company**" means **"AUTO RECYCLING SYSTEMS LIMITED".**

"**Debenture**" includes debenture stock, bonds or any other instrument of the Company evidencing the debts whether constituting the charge on the assets of the Company or not.

"**Depositories Act 1996**" means The Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"**Depository**" means and includes a company as defined under section 2(1)(e) of the Depositories Act, 1996.

"**Directors**" means a director appointed to the Board of the Company.

"**Dividend**" includes any interim dividend.

"**Extra-ordinary General Meeting**" means an extraordinary general meeting of the members, duly called and constituted, and any adjourned holding thereof.

"**In writing**" or "**written**" include printing, lithography and other modes of representing or reproducing words in a visible form.

"**Member**" means member as defined under section 2(55) of the Companies Act, 2013

"**Memorandum of Association**" means the memorandum of association of the Company or re-enactment thereof for the time being in force.

"**Office**" means the registered office, for the time being, of the Company.

"**Paid-up Capital**" means paid up capital as defined under section 2(64) of the Act.

"**Participant**" means individual/institutions as defined under Section 2(1)(g) of the Depositories Act, 1996.

"**Promoters**" means persons identified in accordance with the definition ascribed to such term in the Companies Act, 2013 and the regulations prescribed by SEBI.

"**Register of Members**" means the Register of Members to be kept pursuant to the Act, and includes index of beneficial owners mentioned by a Depository.

"**The Registrar**" means, Registrar as defined under section 2(75) of the Companies Act, 2013.

"**Secretary**" means a Company Secretary, within the meaning of clause (c) of sub section (1) of section 2 of Company Secretaries Act, 1980, who is appointed by the Company to perform the functions of the Company Secretary under this Act

"**Seal**" means the common seal, for the time being, of the Company.

"**SEBI**" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

"**SEBI Listing Regulations**" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"**Share**" means a Share in the capital of the Company, and includes stock, except where a distinction between Stock and Shares is express or implied.

"**Ordinary Resolution**" and "**Special Resolution**" shall have the same meaning assigned thereto by the Act.

"**Year**" means a calendar year and "**financial year**" shall have the same meaning as assigned thereto by or under the Companies Act, 2013.

B. **CONSTRUCTION**

In these Articles (unless the context requires otherwise):

(i) References to a party shall, where the context permits, include such party's respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-article sherein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(vi) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

(viii) A reference to a party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.

(xi) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

**GENERAL AUTHORITY**

**Article 3:** Where the Act requires that the Company cannot undertake any act or exercise any rights or powers or privilege or authority, unless expressly authorised by its Articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power or privilege and to carry out such transaction as have been permitted by the Act.

**CAPITAL AND INCREASE AND REDUCTION THEREOF**

**Article 4:** The Authorised Share Capital of the Company is such amount, as stated, for the time being, or may be varied, from time to time, under the provisions of the Act, in the Clause V of the Memorandum of Association of the Company, divided into such number, classes and descriptions of Shares and into such denominations, as stated therein, and further with such powers to increase the same or otherwise as stated therein.

**Article 5**: The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

(i) Equity Share Capital: with voting rights; and/or with differential rights as to dividend, voting or otherwise; and

(ii) Preference Share Capital.

**Article 6:** The Company, in a general meeting, may, from time to time, increase the capital by the creation of new Shares. Such increase in the capital shall be of such aggregate amount and to be divided into such number of Shares of such respective amounts, as the resolution, so passed in that respect, shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and, if no direction be given, as the Directors shall determine, and, in particular, such Shares may be issued with a preferential, restricted or qualified right to dividends, and in the distribution of assets of the Company, on winding up, and with or without a right of voting at general meetings of the Company, in conformity with and only in the manner prescribed by the provisions of the Act. Whenever capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the applicable provisions of the Act.

**Article 7:** Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital and shall be subject to the provisions contained herein with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting or otherwise.

**Article 8:** Subject to the provisions of Section 55 of the Act and the rules made thereunder, the Company shall have the power to issue preference shares, which are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

**Article 9:** On the issue of Redeemable Preference Shares under the provisions of the preceding Article, the following provisions shall take effect:

(i) No such Shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of the redemption.

(ii) No such Shares shall be redeemed unless they are fully paid. The period of redemption in case of preference shares shall not exceed the maximum period for redemption provided under Section 55 of the Act;

(iii) The premium, if any, payable on redemption, must have been provided for, out of the profits of the Company or the Share Premium Account of the Company before, the Shares are redeemed; and

(iv) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund to be called "Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act, relating to the reduction of the Share Capital of the Company, shall, except as provided in Section 80 of the Act, apply as if "Capital Redemption Reserve Account" were paid up Share capital of the Company.

**Article 10:** Subject to the provisions of the Act, the Company may issue bonus shares to its members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.

**Article 11:** The Company may issue any debentures, debenture-stock or other securities at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of shares shall not be issued except with the sanction of the Company in a general meeting by a special resolution and subject to the provisions of the Act.

**Article 12:** Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable laws.

**Article 13:** Subject to Section 66 of the Companies Act, 2013, the Company may by special resolution, reduce its capital and any Capital Redemption Reserve Account or Other Premium Account, for the time being, in any manner, authorised by law, and, in particular, without prejudice to the generality of the foregoing powers, the capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power, the Company would have, if it were omitted.

**Article 14:** Subject to the applicable provisions of the Act, the Company, in general meeting, may, from time to time, sub-divide, reclassify or consolidate its Shares or any of them, and the resolution whereby any Share is sub-divided, may determine that, as between the holders of the Shares resulting from such sub-division, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company, in general meeting, may also cancel Shares, which have not been taken or agreed to be taken by any person, and diminish the amount of its Share capital by the amount of the Shares so cancelled.

**Article 15:** Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the applicable provisions of the Act, be modified, commuted, affected or abrogated, or dealt with by an agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified, in writing, by holders of at least three-fourths in nominal value of the issued Shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of Shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting.

**SHARES AND CERTIFICATES**

**Article 16:** The Company shall keep or cause to be kept a Register and Index of Members, in accordance with the applicable Sections of the Act. The Company shall be entitled to keep, in any State or Country outside India, a Branch Register of Members, in respect of those residents in that State or Country.

**Article 17:** The Shares, in the capital, shall be numbered progressively according to their several classes and denominations, and, except in the manner hereinabove mentioned, no Share shall be sub-divided. Every forfeited or surrendered Share may continue to bear the number by which the same was originally distinguished with, or as may be otherwise, as may be decided by the Board of Directors or required by any other authority, as may be, for the time being, in force.

**Article 18:** Further Issue of Shares

(a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares on rank pari passu basis either out of the unissued or out of the increased Share capital then, such further Shares issued shall be offered to:

   (a) the persons who at on date specified under the applicable law, are holders of the Equity Shares of the Company, in proportion by sending a letter of offer subject to the conditions set below, as near as circumstances admit, to the capital paid up on those Shares at that date:

      (i) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined;

(ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him in favour of any other person and the notice referred to in sub-clause (i) hereof shall contain a statement of this right provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may, renounce the Shares offered to him;

(iii) After 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 as they think most beneficial to the Company; or

(b) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under the law

(b) Notwithstanding anything contained in sub-clause (i) thereof, the further Shares aforesaid may be offered to any persons, if it is authorised by a special resolution, (whether or not those persons include the persons referred to in clause (a) of sub-clause (i) hereof) in any manner either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the compliance with the applicable provisions of Chapter III and any other conditions as may be prescribed in the Act and the rules made thereunder.

(c) The notice referred to in sub-clause (a) of clause (i) hereof shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least 3 (three) days before the opening of the issue.

(d) Nothing in sub-clause (c) of (i) hereof shall be deemed:

(a) To extend the time within the offer should be accepted; or

(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the remuneration was first made has declined to take the Shares comprised in the renunciation.

(e) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debenture issued or loans raised by the Company to convert such Debenture or loans into Shares in the Company. Provided that the terms of issue of such Debentures or the terms of such loans include a term 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.

(f) The provisions contained in this Article shall be subject to the provisions of the section 42 and section 62 of the Act and other applicable provisions of the Act and rules framed thereunder.

**Article 19:** Shares at the disposal of the Board

Subject to the provisions of Section 62 of the Companies Act, 2013 and the rules made thereunder and these Articles of the Company for the time being, the Shares shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or discount, subject to Sections 53 and 54 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 any person or persons the option or right to call for any Shares either at par or premium or discount, subject to Sections 53 and 54 of the Act, during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be filed the returns as to allotment as may be prescribed from time to time.

**Article 20:** In addition to and without derogating from the powers for that purpose conferred on the Board under the preceding two Articles, the Company, in general meeting, may determine that any Shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons, whether or not the members of the Company, in such proportion and on such terms and conditions and, subject to compliance with the provisions of applicable provisions of the Act, either at a premium or at par, as such general meeting shall determine and with full power to give any person, whether a member or not, the option to call for or be allotted Shares of any class of the Company either, subject to compliance with the applicable provision of the Act, at a premium or at par, such option being exercisable at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provision whatsoever for the issue, allotment or disposal of any Shares.

**Article 21:** Any application signed by or on behalf of an applicant for subscription for Shares in the Company, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every

person, who, thus or otherwise, accepts any Shares and whose name is entered on the Registered shall, for the purpose of these Articles, be a member.

**Article 22:** The money, if any, which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly, in the manner prescribed by the Board.

**Article 23:** Every member or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by his Share or Shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time, in accordance with the Regulations of the Company, require or fix for the payment thereof.

**Article 24:**

(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 Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within the time specified by the law applicable at the time. Every certificate of shares shall be in the form and manner specified in the Articles and 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 the first named joint holders shall be sufficient delivery to all such holders.

(ii) Particulars of every Share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

(iii) Any two or more joint allotees, in respect of a Share, shall, for the purpose of this Article, be treated as a single member, and the certificate of any Share, which may be subject of joint ownership, may be delivered to the person named first in the order or otherwise even to any one of such joint owners, on behalf of all of them. For any further certificate, the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupee 50(fifty) per such certificate. In this respect, the Company shall comply with the applicable provisions, for the time being, in force, of the Act.

(iv) A director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Directors shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

**Article 25:**

(i) The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to receive from any member willing to advance the same, all or any part of the amount of his Shares beyond the sums actually called up and upon the monies so paid in advance or upon so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advances has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall on any Share may carry interest but shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The Provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

(ii) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of Share Certificate No. __ sub-divided/replaced/on consolidation of Shares".

(iii) If any certificate be worn out, defaced, mutilated, or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, and a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees in accordance with law applicable at the time and as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in

replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the Company. When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "DUPLICATE. Issued in lieu of Share Certificate No. ___" The word "DUPLICATE" shall be stamped or punched in bold letters across the face of the Share certificate.

(iv) Where a new Share certificate has been issued in pursuance of clause (i) or clause (iii) of this Article, particulars of every such Share certificate shall be entered in a Register of Renewed and Duplicate Share Certificates, indicating against the names of the person or persons to whom the certificate is issued, the number and date of issue of the Share certificate, in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.

(v) All blank forms to be issued for issue of Share certificates shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively numbered, whether by machine, hand or otherwise, and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary, where there is no Secretary, the Managing Director or Whole time Director, and where there is no such director, the Chairman of the Board, for the time being, or otherwise of such other person, as the Board may appoint for the purpose, and the Secretary, such director, Chairman or such other person shall be responsible for rendering an account of these forms to the Board.

(vi) The Managing Director of the Company, for the time being, or, if the Company has no Managing Director, every director of the Company shall be severally responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of Share certificates except the blank forms of Share certificates referred to in Clause (vi) of this Article.

(vii) All books referred to in clause (vii) of this Article shall be preserved in good order permanently, or for such period as may be prescribed by the Act or the Rules made thereunder.

**Article 26:** If any Share stands in the names of two or more persons, the person first named, in the Register, shall, as regards receipt of dividends or bonus or service of notices and all or any matter connected with the Company, except voting at meetings and the transfer of the Shares, be deemed the sole holder thereof but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments of calls due in respect of such Share and for all incidents otherwise.

**Article 27:** Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any Share, or, except only as is, by these presents, otherwise expressly provided, any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as the holder thereof, but the Board shall be, at liberty, at their sole discretion, to register any Share in the joint names of any two or more persons or the survivor or survivors of them.

**Article 28:** Subject to the provisions of Sections 68 to 70 of the Act 2013 and the rules thereunder, the Company may purchase its own Shares or other specified securities out of free reserves, the securities premium account or the proceeds of issue of any Share or specified securities.

**Article 29:** Subject to the provisions contained in sections 68 to 70 and all applicable provisions of the Act and subject to such approvals, permissions, consents and sanctions from the concerned authorities and departments, including the SEBI, Registrar and the Reserve Bank of India, if any, the Company may, by passing a special resolution at a general meeting, purchase its own Shares or other specified securities (hereinafter referred to as '**buy-back**') from its existing Shareholders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots), and/or the securities issued to the employees of the Company pursuant to a scheme of stock options or sweat Equity, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the securities so bought back shall not exceed such number as may be prescribed under the Act or Rules made from time to time.

**COMMISSION AND BROKERAGE**

**Article 30:** Subject to the provisions of Section 40 of the Act 2013 and the rules thereof, the Company may, at any time,

pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Shares in or Debentures of the Company or procuring or agreeing to procure the subscribers, whether absolutely or conditional, for any Shares in or Debentures of the Company, but so that the rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act, and such commission may be satisfied in any such manner, including the allotment of the fully or partly paid up Shares or Debentures, as the case may be, as the Board thinks fit and proper.

**Article 31:** Subject to the provisions of the Act, the Company may pay a reasonable sum for brokerage.

**CALLS**

**Article 32:** The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a resolution passed only at a duly constituted meeting of the Board, make such call, as it thinks fit, upon the members in respect of all moneys unpaid on the Shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.

**Article 33:** 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.

**Article 34:** At least fourteen days' notice, in writing, of any call, shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call be paid.

**Article 35:** A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

**Article 36:** The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members whom owing to their residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.

**Article 37:** A call may be revoked or postponed at the discretion of Board.

**Article 38:** All calls shall be made on a uniform basis on all shares falling under the same class.

**Article 39:** The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

**Article 40:** If any members fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time, be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member, the Board shall be at liberty to waive payment of any such interest wholly or in part.

**Article 41:** Any sum, which, by the terms of issue of a Share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply, as if such sum had become payable by virtue of a call duly made and notified.

**Article 42:** On the trial or hearing of any action or suit brought by the Company against any member or his representative for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the member, in respect of whose Shares the money is sought to be recovered, appears or is entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered, is alleged to have become due on the Shares in respect of which money is sought to be recovered, and that the resolution making the call is duly recorded in the minute book, and that notice, of which call, was duly given to the member or his representatives and used in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call, and not that a quorum of Directors was present at the meeting of the Board at which any call was made, and nor that the meeting, at which any call was made, has duly been convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.

**Article 43:** Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

**Article 44:**

(i) The Board may, if it thinks fit, agree to and 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 moneys so paid 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 agrees upon, subject to the provisions of the Act. The Board may agree to repay, at any time, any amount so advanced or may, at any time, repay the same upon giving to the member 3 (Three) months' notice, in writing, provided that moneys paid, in advance of calls, on any Shares may carry interest but shall not confer a right to dividend or to participate in profits.

(ii) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable. The provisions of this Article shall *mutatis mutandis* apply to any calls on debentures of the Company.

**LIEN**

**Article 45:**

(i) The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in all respect of such Shares/Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

(ii) Every fully paid share shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares

**Article 46:** For the purpose of enforcing such lien, the Board may sell the Shares, subject thereto, in such manner, as it shall think fit, and, for that purpose, may cause to be issued a duplicate certificate in respect of such Shares, and may authorise one of their members to execute a transfer thereof, on behalf of and in the name of such manner. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, provided that no sale shall be made (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

**Article 47:** The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount, in respect of which the lien exists, as is presently payable, and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the persons entitled to the Shares at the date of the sale.

**Article 48:** A member shall exercise any voting rights in respect of the shares in regard to which the Company has exercised the right of Lien.

**FORFEITURE OF SHARES**

**Article 49:** If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

**Article 50:** The notice shall name a day, not being less than 14 (Fourteen) days from the date of the notice, and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state, that, in the event of the non-payment at or before the time and at the place appointed, the Shares, in respect of which the call was made or instalment is payable, will be liable to be forfeited.

**Article 51:** If the requirements of any such notice, as aforesaid, shall not be complied with, every or any Share, in respect of which such notice has been given, may, at any time thereafter, before payment of all calls or instalments, interest and expenses, as may be due in respect thereof, be forfeited by a resolution of the Board to that effect. Subject to the provisions of the Act, such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited

Shares and not actually paid before the forfeiture.

**Article 52:** When any Share shall have been so forfeited, notice of the forfeiture shall be given to the member, in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall, forthwith, be made in the Register of Members. But no forfeiture shall be, in any manner, invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

**Article 53:** Any Share, so forfeited, shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

**Article 54:** Any member, whose Shares have been forfeited, shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereof, until payment, at such rate, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.

**Article 55:** The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interests in and all claims and demands against the Company, in respect of such Share and all other rights, incidental to the Share, except only such of those rights as by these presents are expressly saved.

**Article 56:** A declaration, in writing, that the declarant is a director or Secretary of the Company and that a Share in the Company has duly been forfeited in accordance with these Articles, 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 Shares.

**Article 57:**Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold, and cause the purchaser's name to be entered in the Register, in respect of the Shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and, after his name has been entered in the Register, in respect of such Shares, the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and exclusively against the Company and no one else.

**Article 58:** Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued, in respect of the relative Shares, shall, unless the same shall, on demand by the Company, have been previously surrendered to it by the defaulting member, stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates, in respect of the said Shares, to the person or persons entitled thereto.

**TRANSFER AND TRANSMISSION OF SHARES**

**Article 59:** The Company shall keep the "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.

**Article 60:** No transfer shall be registered unless a proper instrument of transfer has been delivered to the Company. A common form of transfer shall be used. Every instrument of transfer shall be in writing and all provisions of the Act; the rules and applicable laws shall be duly complied with. The instrument shall also be duly stamped, under the relevant provisions of the Law, for the time being, in force, and shall be signed by or on behalf of the transferor and the transferee, and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and the transferor or the transferors, as the case may be, shall be deemed to remain the holder or holders of such Share, until the name or names of the transferee or the transferees, as the case may be, is or are entered in the Register of Members in respect thereof. Several executors or administrators of a deceased member, proposing to transfer the Share registered in the name of such deceased member, or the nominee or nominees earlier appointed by the said deceased holder of Shares, in pursuance of the Article 88, shall also sign the instrument of transfer in respect of the Share, as if they were the joint holders of the Share.

**Article 61:** Shares in the Company may be transferred by an instrument, in writing, in the form, as shall, from time to time, be approved by the Directors provided that, if so, required by the provisions of the Act, such instrument of Transfer shall be in the form prescribed thereunder and shall be duly stamped and delivered to the Company within the prescribed period. All the provisions of Section 56 of the Act, 2013 shall be duly complied with in respect of all transfers of Shares and registration thereof.

**Article 62:** The Board shall have power, on giving 7 (Seven) days' previous notice, by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is, for the time being, situated, to close the transfer books, the Register of Members of Register of Debenture holders, at such time or times and for such periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may seem expedient.

**Article 63:** Subject to the provisions of Section 58 and 59 of the Companies Act 2013, these Articles and any 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 the time required under the law applicable at that time send to the transferee and transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal to register such transfer, giving reasons for such refusal provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the Shares.

**Article 64:** An application for the registration of a transfer of Shares in/ the Company may be made either by the transferor or the transferee. Where such application is made by a transferor and relates to partly paid Shares, the Company shall give notice of the application to the transferee. The transferee may, within two weeks from the date of the receipt of the notice and not later, object to the proposed transfer. The notice to the transferee shall be deemed to have been duly given, if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time when it would have been delivered in the ordinary course of post.

**Article 65:** In the case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him jointly with any other person.

**Article 66:** Subject to the provisions of Article 87 hereunder, the executors or administrators or holders of a such Succession Certificate or the legal representative of a deceased member, not being one of two or more joint holders, shall be the only persons recognised by the Company as having any title to the Shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India, provided that, in cases, the Board may dispense with production of probate or letters of Administration or Succession Certificate upon such terms as to indemnify or otherwise, as the Board, in its absolute discretion, may think necessary, in the circumstances thereof, and, in pursuance of the Article 61 herein under, register the name of any person, who claims to be absolutely entitled to the Shares standing in the name of a deceased member, as a member.

**Article 67:** No Share shall, in any circumstances, be transferred to any infant, insolvent or person of unsound mind, and that no Share, partly paid up, be issued, allotted or transferred to any minor, whether alone or along with other transferees or allottees, as the case may be.

**Article 68:** So long as the director having unlimited liability has not discharged all liabilities, whether present or future, in respect of the period for which he is and continues to be, so long, liable, he shall not be entitled to transfer the Shares held by him or cease to be a member of the Stock Exchange(s) to the end and intent that he shall continue to hold such minimum number of Shares as were held by him prior to his becoming a director with unlimited liability.

**Article 69:** Subject to the provisions of Articles 64, 65 and 87 hereof, any person becoming entitled to Shares in consequences of the death, lunacy, bankruptcy or insolvency or any member, or the marriage of any female member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Board, which it shall not be under any obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or of his title, as the Board thinks sufficient, either be registered himself as the holder of the Share or elect to have some person, nominated by him and approved by the Board, registered as such person, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein to in these Articles as "The Transmission Article".

**Article 70:** Subject to the provisions of the Act, a person entitled to a Share by transmission shall, subject to the right of the Directors to retain such dividend or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Share.

**Article 71:** No fees shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar document.

**Article 72:** The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof, as shown or appearing in the Register of Members, to the prejudice of persons having or claiming any equitable 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 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 any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever 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 Board shall so think fit.

**DEMATERIALISATION OF SECURITIES**

**Article 73:** Notwithstanding anything contained in the Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and offer such shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act 1996.

**Article 74:** Notwithstanding anything contained in the Articles, and subject to the provisions of the law for the time being in force, the Company shall on a request made by a beneficial owner, re-materialise the shares, which are in dematerialised form.

**Article 75:** Every Person subscribing to the shares offered by the Company shall have the option to receive share certificates or to hold the shares with a Depository. Where Person opts to hold any share with the Depository, the Company shall intimate such Depository of details of allotment of the shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such shares. Such a Person who is the beneficial owner of the shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares 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 certificate of shares. In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act 1996 shall apply.

**Article 76:** If a Person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of the shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the shares.

**Article 77:** All shares held by a Depository shall be dematerialised and shall be in a fungible form.

i. Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of shares on behalf of the beneficial owner.

ii. Save as otherwise provided in (a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of shares held by it.

**Article 78:** Every person holding shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such shares and shall also be deemed to be a shareholder of the Company. The beneficial owner of the shares shall be entitled to all the liabilities in respect of his shares which are held by a Depository. The Company shall be further entitled to maintain a register of members with the details of members holding shares both in material and dematerialised form in any medium as permitted by law including any form of electronic medium.

**Article 79:** Notwithstanding anything in the Act or the Articles to the contrary, where shares 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 disks, drives or any other mode as prescribed by law from time to time.

**Article 80:** Nothing contained in the Act or the Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

**CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

**Article 81:** The Company, by resolution in general meeting, may convert any paid-up Shares into stock, or may, at any time, reconvert any stock into paid up Shares of any denomination. When any Shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interests therein, or any part of such interest, in the same manner and, subject to the same regulations as to which Shares in the Company may be transferred or as near thereto as circumstances will admit. But the Directors may, from time to time, if they think fit, fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but with full power nevertheless, at their discretion, to waive such rules in any particular case. The notice of such conversion of Shares into stock or reconversion of stock into Shares shall be filed with the Registrar of Companies as provided in the Act.

**Article 82:** The Stock shall confer on the holders thereof respectively the same privileges and advantages, as regards participation in profits and voting at meetings of the Company and, for other purposes, as would have been conferred by

Shares of equal amount in the capital of the Company of the same class as the Shares from which such stock was converted but no such privilege or advantage, except the participation in profits of the Company, or in the assets of the Company on a winding up, shall be conferred by any such aliquot part or, consolidated stock as would not, if existing in Shares, have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privilege attached to the Shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to Shares and the words "Share" and "Shareholder" in these presents shall include "stock" and "stock-holder".

**Article 83:** The Company may issue Share warrants in the manner provided by the said Act and accordingly the Directors may, in their discretion, with respect to any fully paid up Share or stock, on application, in writing, signed by the person or all persons registered as holder or holders of the Share or stock, and authenticated by such evidence, if any, as the Directors may, from time to time, require as to the identity of the person or persons signing the application, and on receiving the certificate, if any, of the Share or stock and the amount of the stamp duty on the warrant and such fee as the Directors may, from time to time, prescribe, issue, under the Seal of the Company, a warrant, duly stamped, stating that the bearer of the warrant is entitled to the Shares or stock therein specified, and may provide by coupons or otherwise for the payment of future dividends, or other moneys, on the Shares or stock included in the warrant. On the issue of a Share warrant the names of the persons then entered in the Register of Members as the holder of the Shares or stock specified in the warrant shall be struck off the Register of Members and the following particulars shall be entered therein.

(i) fact of the issue of the warrant.

(ii) a statement of the Shares or stock included in the warrant distinguishing each Share by its number, and

(iii) the date of the issue of the warrant.

**Article 84:** A Share warrant shall entitle the bearer to the Shares or stock included in it, and, notwithstanding anything contained in these articles, the Shares or stock shall be transferred by the delivery of the Share-warrant, and the provisions of the regulations of the Company with respect to transfer and transmission of Shares shall not apply thereto.

**Article 85:** The bearer of a Share-warrant shall, on surrender of the warrant to the Company for cancellation, and on payment of such fees, as the Directors may, from time to time, prescribe, be entitled, subject to the discretion of the Directors, to have his name entered as a member in the Register of Members in respect of the Shares or stock included in the warrant.

**Article 86:** The bearer of a Share-warrant shall not be considered to be a member of the Company and accordingly save as herein otherwise expressly provided, no person shall, as the bearer of Share-warrant, sign a requisition for calling a meeting of the Company, or attend or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company of meetings or otherwise, or qualified in respect of the Shares or stock specified in the warrant for being a director of the Company, or have or exercise any other rights of a member of the Company.

**Article 87:** The Directors may, from time to time, make rules as to the terms on which, if they shall think fit, a new Share warrant or coupon may be issued by way of renewal in case of defacement, loss, or destruction.

**NOMINATION BY SECURITY HOLDER**

**Article 88:**

(i) Every holder of Securities in the Company may, at any time, nominate, in the prescribed manner, a person to whom his Securities in the Company, shall vest in the event of his death.

(ii) Where the Securities in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the Securities in the Company shall vest in the event of death of all joint holders.

(iii) Notwithstanding anything contained in these Articles or any other law, for the time being, in force, or in any disposition, whether testamentary or otherwise, in respect of such Securities in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Securities in the Company, the nominee shall, on the death of the Shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Securities of the Company or, as the case may be, all the joint holders, in relation to such securities in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(iv) In the case of fully paid-up Securities in the Company, where the nominee is a minor, it shall be lawful for the holder of the Securities, to make the nomination to appoint in the prescribed manner any person, being a guardian, to become entitled to Securities in the Company, in the event of his death, during the minority.

**Article 89:**

(i) Any person who becomes a nominee by virtue of the provisions of the preceding Article, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either –

(a) to be registered himself as holder of the Share(s); or

(b) to make such transfer of the Share(s) as the deceased Shareholder could have made.

(ii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Share(s), himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, and such notice shall be accompanied with the death certificate of the deceased shareholder.

(iii) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Securities shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by that Shareholder.

(iv) A person, being a nominee, becoming entitled to a Share by reason of the death of the holder, shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the Share except that he shall not, before being registered a member in respect of his 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(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share(s) or until the requirements of the notice have been complied with.

**MEETING OF MEMBERS**

**Article 90:**

(i) The Company shall, in each year, hold a general meeting as its Annual General Meeting. Any meeting, other than Annual General Meeting, shall be called Extra-ordinary General Meeting.

(ii) Not more than 15 (Fifteen) months or such other period, as may be prescribed, from time to time, under the Act, shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of the Act to extend time within which any Annual General Meeting may be held.

(iii) Every Annual General Meeting shall be called for a time during business hours i.e., between 9 a.m. and 6 p.m., on a day that is not a National Holiday, and shall be held at the Office of the Company or at some other place within the city, in which the Office of the Company is situated, as the Board may think fit and determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(iv) Every member of the Company shall be entitled to attend, either in person or by proxy, and by way of a postal ballot whenever and in the manner as may permitted or prescribed under the provisions of the Act, and the Auditors to the Company, who shall have a right to attend and to be heard, at any general meeting which he attends, on any part of the business, which concerns him as the Auditors to the Company, further, the Directors, for the time being, of the Company shall have a right to attend and to be heard, at any general meeting, on any part of the business, which concerns them as the Directors of the Company or generally the management of the Company.

(v) At every Annual General Meeting of the Company, there shall be laid, on the table, the Directors' Report and Audited Statements of Account, Auditors' Report, the proxy Register with forms of proxies, as received by the Company, and the Register of Directors' Share holdings, which Register shall remain open and accessible during the continuance of the meeting, and therefore in terms of the provisions of Section 96 of the Act, the Annual General Meeting shall be held within six months after the expiry of such financial year. The Board of Directors shall prepare the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with the applicable provisions of the Act.

**Article 91:** The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting and it shall do so upon a requisition, in writing, by any member or members holding, in aggregate not less than one-tenth or such other proportion or value, as may be prescribed, from time to time, under the Act, of such of the paid-up capital as at that date carries the

right of voting in regard to the matter, in respect of which the requisition has been made.

**Article 92:** Any valid requisition so made by the members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office, provided that such requisition may consist of several documents, in like form, each of which has been signed by one or more requisitionists.

**Article 93:** Upon receipt of any such requisition, the Board shall forthwith call an Extra-ordinary General Meeting and if they do not proceed within 21 (Twenty-one) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of the requisition, being deposited at the office, to cause a meeting to be called on a day not later than 45 (Forty-five) days or such other lessor period, as may be prescribed, from time to time, under the Act, from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid up Share capital held by all of them or not less than one-tenth of such of the paid up Share Capital of the Company as is referred to in Section 100(4) of the Act, whichever is less, may themselves call the meeting, but, in either case, any meeting so called shall be held within 3 (Three) months or such other period, as may be prescribed, from time to time, under the Act, from the date of the delivery of the requisition as aforesaid.

**Article 94:** Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible as that in which such meetings are to be called by the Board.

**Article 95:** At least 21 (Twenty-one) days' notice, of every general meeting, Annual or Extra-ordinary, and by whomsoever called, specifying the day, date, place and hour of meeting, and the general nature of the business to be transacted there at, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company, provided that in the case of an General Meeting, with the consent of members holding not less than 95 per cent of such part of the paid up Share Capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting of the Shareholders of the Company, if any business other than

(i) the consideration of the Accounts, Balance Sheet and Reports of the Board and the Auditors thereon

(ii) the declaration of dividend,

(iii) appointment of directors in place of those retiring,

(iv) the appointment of, and fixing the remuneration of, the Auditors,

is to be transacted, and in the case of any other meeting, in respect of any item of business, a statement setting out all material facts concerning each such item of business, including, in particular, the nature and extent of the interest, if any, therein of every director and manager, if any, where any such item of special business relates to, or affects any other company, the extent of shareholding interest in that other company or every director and manager, if any, of the Company shall also be set out in the statement if the extent of such Share-holding interest is not less than such percent, as may be prescribed, from time to time, under the Act, of the paid-up Share Capital of that other Company.

Where any item of business consists of the according of approval of the members to any document at the meeting, the time and place, where such document can be inspected, shall be specified in the statement aforesaid.

**Article 96:** The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.

**Article 97:** No general meeting, whether Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

**Article 98:** Subject to the provisions of the Act and these Articles, five(5) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting is not more than One Thousand; Fifteen (15) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting is more than One Thousand but not more than Five Thousand; Thirty (30) shareholders shall constitute quorum in Shareholders' Meetings of the Company if number of shareholders as on date of meeting exceeds five thousand.

**Article 99:** A body corporate, being a member, shall be deemed to be personally present, if it is represented in accordance with and in the manner as may be prescribed by, the applicable provisions of the Act.

**Article 100:** If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, then the meeting, if convened by or upon the requisition of members, shall stand dissolved, but in any other case, it shall stand adjourned to such time on the following day or such other day and to such place, as the Board may determine, and, if no such time and place be determined, to the same day in the next week, at the same time and place in the city or town in which the office of the Company is, for the time being, situate, as the Board may determine, and, if at

such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

**Article 101:** The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, whether Annual or Extra-ordinary. If there be no such Chairman, or, if, at any meeting, he shall not be present within 15 (Fifteen) minutes of the time appointed for holding such meeting, then the members present shall elect another director as the Chairman of that meeting, and, if no director be present, or if all the Directors present decline to take the Chair, then the members present shall elect one among them to be the Chairman.

**Article 102:** No business shall be discussed at any general meeting, except the election of a Chairman, whilst the Chair is vacant.

**Article 103:** The Chairman, with the consent of the meeting, may adjourn any meeting, from time to time, and from place to place, in the city or town, in which the office of the Company is, for the time being, situate, but no business shall be transacted at any adjourned meeting, other than the business left unfinished, at the meeting, from which the adjournment took place.

**Article 104:** At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded, before or on the declaration of the result of the show of hands, by any member or members present in person or by proxy and holding Shares in the Company, which confer a power to vote on the resolution not being less than one-tenth or such other proportion as may statutorily be prescribed, from time to time, under the Act, of the total voting power, in respect of the resolution or on which an aggregate sum of not less than Rs. 500,000/- or such other sum as may statutorily be prescribed, from time to time, under the Act, has been paid up, and unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or has been lost and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

**Article 105:** In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll, if any, have a casting vote in addition to the vote of votes, if any, to which he may be entitled as a member if he is.

**Article 106:** If a poll is demanded as aforesaid, the same shall, subject to Article 108 hereunder, be taken at Delhi or, if not desired, then at such other place as may be decided by the Board, at such time not later than 48 (Forty-eight) hours from the time when the demand was made and place in the city or town in which the office of the Company is, for the time being, situate, and, either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the persons, who made the demand.

**Article 107:** Where a poll is to be taken, the Chairman of the meeting shall appoint one or, at his discretion, two scrutinisers, who may or may not be members of the Company to scrutinise the votes given on the poll and to report thereon to him, subject to that one of the scrutinisers so appointed shall always be a member, not being an officer or employee of the Company, present at the meeting, provided that such a member is available and willing to be appointed. The Chairman shall have power, at any time, before the result of the poll is declared, to remove a scrutiniser from office and fill the vacancy so caused in the office of a scrutiniser arising from such removal or from any other cause.

**Article 108:** Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment of the meeting shall be taken forthwith at the same meeting.

**Article 109:** The demand for a poll, except on questions of the election of the Chairman and of an adjournment thereof, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

**VOTES OF MEMBERS**

**Article 110:** No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, or has exercised, any right of lien.

**Article 111:** Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions so to voting, for the time being, attached to any class of Shares, for the time being, forming part of the capital of the Company, every member, not disqualified by the last preceding Article shall be entitled to be present, speak and vote at such meeting, and, on a show of hands, every member, present in person, shall have one vote and, upon a poll, the voting right of every member present in person or by proxy shall be in proportion to his Share of the paid-up Equity Share Capital of the Company. Provided, however, if any preference Shareholder be present at any meeting of the Company, subject to the

provision of section 47, he shall have a right to vote only on resolutions, placed before the meeting, which directly affect the rights attached to his Preference Shares.

**Article 112:** On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes, he uses.

**Article 113:** A member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote, in respect of his Share or Shares, be used by his guardian, or any one of his guardians, if more than one, to be selected, in the case of dispute, by the Chairman of the meeting.

**Article 114:** If there be joint registered holders of any Shares, any one of such persons may vote at any meeting or may appoint another person, whether a member or not, as his proxy, in respect of such Shares, as if he were solely entitled thereto, but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, then one of the said persons so present, whose name stands higher on the Register, shall alone be entitled to speak and to vote in respect of such Shares, but the other of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name Shares stand shall, for the purpose of these Articles, be deemed joint holders thereof.

**Article 115:** Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate, being a member, may vote either by a proxy or by a representative, duly authorised, in accordance with the applicable provisions, if any, of the Act, and such representative shall be entitled to exercise the same rights and powers, including the right to vote by proxy, on behalf of the body corporate, which he represents, as that body corporate could exercise, if it were an individual member.

**Article 116:** Any person entitled, under the Article 61 hereinabove, to transfer any Share, may vote, at any general meeting, in respect thereof, in the same manner, as if he were the registered holder of such Shares provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have provisionally admitted his right to vote at such meeting in respect thereof.

**Article 117:** Every proxy, whether a member or not, shall be appointed, in writing, under the hand of the appointer or his attorney, or if such appointer is a body corporate under the common seal of such corporate, or be signed by an officer or officers or any attorney duly authorised by it or them, and, for a member of unsound mind or in respect of whom an order has been made by a court having jurisdiction in lunacy, any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak on any matter at the meeting.

**Article 118:** An instrument of Proxy may state the appointment of a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

**Article 119:** A member, present by proxy, shall be entitled to vote only on a poll.

**Article 120:** The instrument appointing a proxy and a Power of Attorney or other authority, if any, under which it is signed or a notarised certified copy of that power of authority, shall be deposited at the Office not later than 48 (Forty-eight) hours before the time for holding the meeting at which the person named in the Instrument proposes to vote, and, in default, the Instrument of Proxy shall not be treated as valid. No instrument appointing a proxy shall be a valid after the expiration of 12 (Twelve) months or such other period as may be prescribed under the Laws, for the time being, in force, or if there shall be no law, then as may be decided by the Directors, from the date of its execution.

**Article 121:** Every Instrument of proxy, whether for a specified meeting or otherwise, shall, as nearly as circumstances thereto will admit, be in any of the forms as may be prescribed from time to time.

**Article 122:** A vote, given in accordance with the terms of an Instrument of Proxy, shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of Attorney under which such proxy was signed or the transfer of the Share in respect of which the vote is given, provided that no intimation, in writing, of the death or insanity, revocation or transfer shall have been received at the Office before the meeting.

**Article 123:** No objections shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, or not disallowed at such meeting or on a poll, shall be deemed as valid for all purposes of such meeting or a poll whatsoever.

**Article 124:** The Chairman, present at the time of taking of a poll, shall be the sole judge of the validity of every vote tendered at such poll.

**Article 125:**

(i) The Company shall cause minutes of all proceeding of every general meeting to be kept by making, within 30 (Thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a director duly authorised by the Board for that purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings there at.

(v) All appointments made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or to be deemed to require the inclusion, in any such minutes, of any matter, which, in the opinion of the Chairman of the meeting, (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(vii) Any such minutes shall be conclusive evidence of the proceedings recorded therein.

(viii) The book containing the minutes of proceedings of general meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than 2 (Two) hours, in each day, as the Directors determine, to the inspection of any member without charge.

(ix) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company

**DIRECTORS**

**Article 126:** Until otherwise determined by a general meeting of the Company and, subject to the applicable provisions of the Act, the number of Directors) shall not be less than three nor more than fifteen, provided that the Company may appoint more than fifteen directors after passing a special resolution. The Company shall have at the minimum such number of independent Directors on the Board of the Company, as may be required in terms of the provisions of applicable law. In addition, not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations.

The First directors of the Company are:

1. Mr. Sanjeev Malhotra

2. Mr. Sarthak Malhotra

**Article 127:**

(i) Whenever, Directors enter into a contract with any Government, whether central, state or local, bank or financial institution or any person or persons (hereinafter referred to as "**the appointer**") for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever or in case of Promoters of the Company (hereinafter referred as "**Promoters**"), the Directors shall have, subject to the provisions of Section 152 and other applicable provisions, if any, of the Act, the power to agree that such appointer or Promoters shall have the right to appoint or nominate by a notice, in writing, addressed to the Company, one or more Directors on the Board (hereinafter referred to as "**Special Director**") for such period and upon such terms and conditions, as may be mentioned in the agreement if any, and that such Director or Directors may or may not be liable to retire by rotation, nor be required to hold any qualification Shares. The Directors may also agree that any such Director or Directors may be removed, from time

to time, by the appointer or Promoter, entitled to appoint or nominate them and the appointer or Promoter may appoint another or others in his or their place and also fill in vacancy, which may occur as a result of any such director or directors ceasing to hold that office for any reasons whatsoever. The Directors, appointed or nominated under this Article, shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the directors of the Company including payment of remuneration, sitting fees and travelling expenses to such director or directors, as may be agreed by the Company with the appointer.

(ii) The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

(iii) The Special Directors, appointed under the preceding Article, shall be entitled to hold Office until required by the Government, person, firm, body corporate promoters or financial institution/s who may have appointed them. A Special Director shall not be required to hold any qualification Share(s) in the Company. As and when a Special Director vacates Office, whether upon request as aforesaid or by death, resignation or otherwise, the Government, person, firm or body corporate promoters or financial institution, who appointed such Special Director, may appoint another director in his place. Every nomination, appointment or removal of a Special Director or other notification, under this Article, shall be in writing and shall, in the case of the Government, be under the hand of a Secretary or some other responsible and authorised official to such Government, and in the case of a company or financial institution, under the hand of director of such company or institution duly authorised in that behalf by a resolution of the Board of Directors. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same of obligations as any other director of the Company.

**Article 128:** If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any person or persons shall have power to nominate a director of the Company, then in the case of any and every such issue of Debentures, the person or persons having such power may exercise such power, from time to time, and appoint a director accordingly. Any director so appointed is hereinafter referred to as "the Debenture Director". A Debenture Director may be removed from Office, at any time, by the person or persons in whom, for the time being, is vested the power, under which he was appointed, and another director may be appointed in his place. A Debenture Director shall not be required to hold any qualification Share(s) in the Company.

**Article 129:** Subject to the provisions of section 161(2) of the Act, 2013, The Board may appoint an alternate director to act for a director (hereinafter called "the Original Director") during his absence for a period of not less than 3 (Three) months or such other period as may be, from time to time, prescribed under the Act, from India, in which the meetings of Board are ordinarily held. An alternate director appointed, under this Article, shall not hold Office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate Office, if and when the Original Director returns to that State. If the term of Office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of a retiring director, in default of another appointment, shall apply to the original director and not to the alternate director.

**Article 130:** Subject to the provisions of section 161(1) of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not, at any time, exceed the maximum fixed under these Articles. Any such Additional Director shall hold Office only upto the date of the next Annual General Meeting.

**Article 131:** Subject to the provisions of section 152 and 162 of the Act, 2013, the Board shall have power, at any time and from time to time, to appoint any other qualified person to be a director to fill a casual vacancy. Any person so appointed shall hold Office only upto the date, upto which the director in whose place he is appointed would have held Office if it had not been vacated by him.

**Article 132:** A director shall not be required to hold any qualification Share(s) in the Company.

**Article 133:**

(i) Subject to the provisions of section 196, 197 and read with schedule V of the Companies Act, 2013and other provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Director who is in the Whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, or in any other manner, as may be, from time to time, permitted under the Act or as may be thought fit and proper by the Board or, if prescribed under the Act, by the Company in general meeting.

(ii) Subject generally to the provisions of the Act, and, in the case of the Managing Director, subject to the provisions of the Articles herein below, as may be applicable, the Board shall have power to pay such remuneration to a director for his services, Whole-time or otherwise, rendered to the Company or for services of professional or other nature rendered by him, as may be determined by the Board. If any director, being willing, shall be called upon to perform extra services or make any special exception in going to or residing at a place other than the place where the director usually resides, or otherwise in or for the Company's business or for any of the purpose of the Company, then, subject to the provisions of the Act, the Board shall have power to pay to such director such remuneration, as may be determined by the Board.

(iii) Subject to the provisions of the Act, a director, who is neither in the Whole-time employment nor a Managing Director, may be paid remuneration either;

(a) by way of monthly, quarterly or annual payment with the approval of the Central Government; or

(b) by way of commission, if the Company, by a special resolution, authorises such payment.

(iv) The fee payable to a director, excluding a Managing or Whole time Director, if any, for attending a meeting of the Board or Committee thereof shall be such sum, as the Board may, from time to time, determine, but within and subject to the limit prescribed by the Central Government pursuant to the provisions, for the time being, under the Act.

**Article 134:** The Board may allow and pay to any director such sum, as the Board may consider fair compensation, for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any director be called upon to go or reside out of the ordinary place of his residence for the Company's business, he shall be entitled to be repaid and reimbursed of any travelling or other expenses incurred in connection with business of the Company. The Board may also permit the use of the Company's car or other vehicle, telephone(s) or any such other facility, by the director, only for the business of the Company.

**Article 135:** The continuing Directors may act, notwithstanding, any vacancy in their body but if, and so long as their number is not reduced below the minimum number fixed by Article 111 hereof. the continuing Directors, not being less than two, may only act, for the purpose of increasing the number of Directors to that prescribed minimum number or of summoning a general meeting but for no other purpose.

**Article 136:** The office of director shall be vacated, pursuant to the provisions of section 164 and section 167 of the Companies Act, 2013. Further, the Director may resign his office by giving notice to the Company pursuant to section 168 of the Companies Act, 2013

**Article 137:** The Company shall keep a Register, in accordance with Section 189(1) of the Act, and within the time as may be prescribed, enter therein such of the particulars, as may be relevant having regard to the application thereto of Section184 or Section 188 of the Act, as the case may be. The Register aforesaid shall also specify, in relation to each director of the Company, names of the bodies corporate and firms of which notice has been given by him, under the preceding two Articles. The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and the extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 189(3) of the Act shall apply accordingly.

**Article 138:** A director may be or become a director of any other Company promoted by the Company or in which it may be interested as a vendor, Shareholder or otherwise, and no such director shall be accountable for any benefits received as director or Shareholder of such Company except in so far as the provisions of the Act may be applicable.

**Article 139:**

(i) At every Annual General Meeting of the Company, one-third of such of the Directors, for the time being, as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from Office. The Independent, Nominee, Special and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of directors to retire, subject to Section 152 and other applicable provisions, if any, of the Act.

(ii) Subject to Section 152 of the Act, the directors, liable to retire by rotation, at every annual general meeting, shall be those, who have been longest in Office since their last appointment, but as between the persons, who became Directors on the same day, and those who are liable to retire by rotation, shall, in default of and subject to any agreement among themselves, be determined by lot.

**Article 140:** A retiring director shall be eligible for re-election and shall act as a director throughout the meeting at which

he retires.

**Article 141:** Subject to Section 152 of the Act, the Company, at the general meeting at which a director retires in manner aforesaid, may fill up the vacated Office by electing a person thereto.

**Article 142:**

(i) If the place of retiring director is not so filled up and further the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place or if that day is a public holiday, till the next succeeding day, which is not a public holiday, at the same time and place.

(ii) If at the adjourned meeting also, the place of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meetings, unless:

  (a) at that meeting or at the previous meeting, resolution for the re-appointment of such director has been put to the meeting and lost;

  (b) the retiring director has, by a notice, in writing, addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;

  (c) he is not qualified, or is disqualified, for appointment.

  (d) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or

  (e) Section 162 of the Act is applicable to the case.

**Article 143:** Subject to the provisions of Section 149 of the Act, the Company may, by special resolution, from time to time, increase or reduce the number of directors, and may alter their qualifications and the Company may, subject to the provisions of Section 169 of the Act, remove any director before the expiration of his period of Office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director, in whose place he is appointed, would have held, had he not been removed.

**Article 144:**

(i) No person, not being a retiring director, shall be eligible for appointment to the office of director at any general meeting unless he or some member, intending to propose him, has, not less than 14 (Fourteen) days or such other period, as may be prescribed, from time to time, under the Act, before the meeting, left at the Office of the Company, a notice, in writing, under his hand, signifying his candidature for the Office of director or an intention of such member to propose him as a candidate for that office, along with a deposit of Rupees One lakh or such other amount as may be prescribed, from time to time, under the Act, which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a director or gets more than twenty-five per cent of total valid votes cast either on show of hands or on poll on such resolution.

(ii) Every person, other than a director retiring by rotation or otherwise or a person who has left at the Office of the Company a notice under Section 160 of the Act signifying his candidature for the Office of a director, proposed as a candidate for the Office of a director shall sign and file with the Company, the consent, in writing, to act as a director, if appointed.

(iii) A person, other than a director re-appointed after retirement by rotation immediately on the expiry of his term of Office, or an Additional or Alternate Director, or a person filling a casual vacancy in the Office of a director under Section 161 of the Act, appointed as a director or reappointed as a director immediately on the expiry of his term of Office, shall not act as a director of the Company, unless he has, within thirty days of his appointment, signed and filed with the Registrar his consent, in writing, to act as such director.

**Article 145:** The Company shall keep at its Office a Register containing the particulars of its directors and key managerial personnel and their shareholding as mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

**Article 146:** Every director and Key Managerial Personnel within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association which are required to be included in the register under that section 189 of the Companies Act, 2013.

**MANAGING DIRECTOR**

**Article 147:**

(i) Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint, from time to time, any of its member as a Managing Director or Managing Directors of the Company for a fixed term, not exceeding 5 (Five) years at a time, and upon such remuneration and terms and conditions as the Board thinks fit, and subject to the provisions of any contract between him and the Company, remove or dismiss him from office and appoint another in his place and subject to the provisions of the succeeding Article hereof, the Board may, by resolution, vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally, as it thinks fit, and such powers may be made exercisable for such period or periods; and upon such conditions and subject to such restrictions, as it may determine. The remuneration of a Managing Director may be by way of salary and/or allowances, commission or participation in profits or perquisites of any kind, nature or description, or by any or all of these modes, or by any other mode(s) not expressly prohibited by the Act or the Rules made thereunder, or any notification or circular issued under the Act.

**Article 148:** Subject to the superintendence, directions and control of the Board, the Managing Director or Managing Directors shall exercise the powers, except to the extent mentioned in the matters, in respect of which resolutions are required to be passed only at the meeting of the Board, under Section 179 of the Act and the rules made thereunder

**PROCEEDINGS OF THE BOARD OF DIRECTORS**

**Article 149:** Unless decided by the Board to the contrary, depending upon the circumstances of the case, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, in accordance with the Article 124 hereof. If he ceases to hold the office of director, he shall ipso-facto and forthwith ceases to hold the office of Managing Director.

**Article 150:** The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every 3 (Three) months and at least 4 (Four) such meetings shall be held in every year in such a manner that not more than one hundred and twenty days (120) days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act. The Board of directors may participate in a meeting of the Board either in person or through video conferencing or other audio-visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time subject to the rules as may be prescribed.

**Article 151:** Not less than seven (7) days' Notice of every meeting of the Board may be given, in writing, in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means. Subject to the provisions of section 173(3) meeting may be called at shorter notice.

**Article 152:** Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength, excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one, or two directors, whichever is higher, provided that where, at any time, the number of interested directors exceeds or is equal to two-thirds of the total strength the number of the remaining directors, that is to say, the number of directors who are not interested, present at the meeting, being not less than two, shall be the quorum, during such time.

**Article 153:** If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned for 30 minutes in the same day and at same place.

**Article 154:** A director may, at any time, or Secretary shall, as and when directed by the any of the Directors to do so, convene a meeting of the Board, by giving a notice, in writing, to every other director.

**Article 155:** The Board may, from time to time, elect one of their members to be the Chairman of the Board and determine the period for which he is to hold the office. If at any meeting of the Board, the Chairman is not present at a time appointed for holding the same, the directors present shall choose one of them, being present, to be the Chairman of such meeting.

**Article 156:** Subject to the restrictive provisions of any agreement or understanding as entered into by the Company with any other person(s) such as the collaborators, financial institutions, etc., the questions arising at any meeting of the Board shall be decided by a majority of the votes of the directors present there at and, also subject to the foregoing, in the case of an equality of votes, the Chairman shall have a second or casting vote.

**Article 157:** A meeting of the Board, at which a quorum is present, shall be competent to exercise all or any of the authorities, powers and discretions, which, by or under the Act or the Articles of the Company, are, for the time being, vested in or exercisable by the Board generally.

**Article 158: A**pplicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations. Subject to the restrictions contained in Section 179 of the Act 2013 and the rules made thereunder, the Board may delegate any of their powers to the committee of the Board, consisting of such number of its body, as it thinks fit, and it may, from time to time, revoke and discharge any such committee of the Board, either wholly or in part and either as to persons or purposes, but every committee of the Board, so formed, shall, in the exercise of the powers so delegated, conform to any regulations that may, from time to time, be imposed on it by the Board. All acts done by any such committee of the Board, in conformity with such regulations, and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if were done by the Board.

**Article 159:** The meetings and proceedings of any meeting of such Committee of the Board, consisting of two or more members, shall be governed by the provisions contained herein for regulating the meetings and proceedings of the meetings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

**Article 160:** No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors or to all the members of the Committee, then in India, not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be, and to all the directors or to all the members of the Committee, at their usual addresses in India and has been approved, in writing, by such of the directors or members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

**Article 161:** All acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a director shall notwithstanding that it shall, afterwards, be discovered that there was some defect in the appointment of such director or persons acting as aforesaid or that they or any of them were or was, as the case may be, disqualified or had vacated office or that the appointment of any of them was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had duly been appointed and was qualified to be a director and had not vacated his office or his appointed had not been terminated, provided that nothing in this Article shall be deemed to give validity to any act or acts done by a director or directors after his or their appointment(s) has or have been shown to the Company to be invalid or to have terminated.

**Article 162:**

(i) The Company shall cause minutes of all proceedings of every meeting of the Board and the Committee thereof to be kept by making, within 30 (Thirty) days of the conclusion of each such meeting, entries thereof in books kept, whether manually in the registers or by way of loose leaves bound together, as may be decided by the Board of Directors, for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(iii) In no case, the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointment made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(vi) The minutes shall also contain:

  (a) the names of the Directors present at the meeting; and

  (b) in the case of each resolution passed at the meeting, the names of the directors, if any dissenting from or not concurring in the resolution.

(vii) Nothing contained in sub-clauses (i) to (vii) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting –

  (a) is, or could reasonably be regarded as, defamatory of any person;

  (b) is irrelevant or immaterial to the proceedings; or

  (c) is detrimental to the interests of the Company;

and that the Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in

the minutes on the ground specified in this sub-clause.

(viii) Minutes of the meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

**Article 163:** Without prejudice to the general powers as well as those under the Act, and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles or otherwise, it is hereby declared that the Directors shall have, inter alia, the following powers, that is to say, power -

(i) to pay the costs, charges and expenses, preliminary and incidental to the promotion, formation, establishment and registration of the Company;

(ii) to pay and charge, to the account of the Company, any commission or interest lawfully payable thereon under the provision of the Act;

(iii) subject to the provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges, which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and being in the interests of the Company, and in any such purchase or other acquisition to accept such title or to obtain such right as the directors may believe or may be advised to be reasonably satisfactory;

(iv) at their discretion and subject to the provisions of the Act, to pay for any property, right or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in Shares, Bonds, Debentures, mortgages, or other securities of the Company, and any such Shares may be issued either as fully paid up, with such amount credited as paid up thereon, as may be agreed upon, and any such bonds, Debentures, mortgages or other securities may either be specifically charged upon all or any part of the properties of the Company and its uncalled capital or not so charged;

(v) to secure the fulfilment of any contracts or engagement entered into by the Company or, in the interests or for the purposes of this Company, by, with or against any other Company, firm or person, by mortgage or charge of all or any of the properties of the Company and its uncalled capital, for the time being, or in such manner and to such extent as they may think fit;

(vi) to accept from any member, as far as may be permissible by law, a surrender of his Shares or any part thereof, whether under buy-back or otherwise, on such terms and conditions as shall be agreed mutually, and as may be permitted, from time to time, under the Act or any other Law or the Regulations, for the time being, in force,

(vii) to appoint any person to accept and hold in trust, for the Company, any property belonging to the Company, in which it is interested, or for any other purposes, and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;

(viii) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts, due and of any differences to arbitration and observe and perform any awards made thereon;

(ix) to act on behalf of the Company in all matters relating to bankruptcy and insolvents;

(x) to make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company;

(xi) subject to the applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof upon such security, not being Shares of this Company, or without security and in such manner, as they may think fit, and from time to time, to vary or realise such investments, save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;

(xii) to execute, in the name and on behalf of the Company, in favour of any director or other person, who may incur or be about to incur any personal liability whether as principal or surety, for the benefit or purposes of the Company, such mortgages of the Company's property, present and future, as they may think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;

(xiii) to determine from time to time, who shall be entitled to sign, on behalf of the Company, bills, invoices, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and or any other document

or documents and to give the necessary authority for such purpose, and further to operate the banking or any other kinds of accounts, maintained in the name of and for the business of the Company;

(xiv) to distribute, by way of bonus, incentive or otherwise, amongst the employees of the Company, a Share or Shares in the profits of the Company, and to give to any staff, officer or others employed by the Company a commission on the profits of any particular business or transaction, and to charge any such bonus, incentive or commission paid by the Company as a part of the operational expenditure of the Company;

(xv) to provide for the welfare of directors or ex-directors, Shareholders, for the time being, or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses or dwellings, or grants of moneys, whether as a gift or otherwise, pension, gratuities, allowances, bonus, loyalty bonuses or other payments, also whether by way of monetary payments or otherwise, or by creating and from time to time, subscribing or contributing to provident and other association, institutions, funds or trusts and by providing or subscribing or contributing towards places of worship, instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance, as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects, which shall have any moral or other claim to support or aid by the Company, either by reason of locality or place of operations, or of public and general utility or otherwise;

(xvi) before recommending any dividend, to set aside out of the profits of the Company such sums, as the Board may think proper, for depreciation or to a Depreciation Fund, or to an Insurance Fund, a Reserve Fund, Capital Redemption Fund, Dividend Equalisation Fund, Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes, including the purposes referred to in the preceding clause, as the Board may, in their absolute discretion, think conducive to the interests of the Company and, subject to the provisions of the Act, to invest the several sums so set aside or so much thereof, as required to be invested, upon such investments, other than shares of the Company, as they may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes, as the Board, in their absolute discretion, think conducive to the interests of the Company, notwithstanding, that the matter, to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended, and to divide the Reserve Fund into such special funds, as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or divisions of a Reserve Fund and with full powers to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase of or repayment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper, subject to the provisions of the applicable laws, for the time being, in force.

(xvii) to appoint and at their discretion, remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants or other employees, in or for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and to fix their salaries, emoluments or remuneration of such amount, as they may think fit.

(xviii) to comply with the requirements of any local laws, Rules or Regulations, which, in their opinion, it shall, in the interests of the Company, be necessary or expedient to comply with.

(xix) at any time, and from time to time, by power of attorney, under the Seal of the Company, to appoint any person or persons to be the attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions, not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys, and for such period and subject to such conditions as the Board may, from time to time, think fit, and any such appointment may, if the Board thinks fit, be made in favour of the members or in favour of any Company, or the Share-holders, directors, nominees, or managers of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such Power of Attorney may contain such powers for the protection of convenience of person dealing with such Attorneys, as the Board may think fit, and may contain powers enabling any such delegates all or any of the powers, authorities and discretions, for the time being, vested in them;

(xx) Subject to the provisions of the Act, for or in relation to any of the matters, aforesaid or otherwise, for the purposes of the Company, to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company, as they may consider expedient;

(xxi) from time to time, make, vary and repeal bylaws for the regulation of the business of the Company, its Officers and Servants.

**MANAGEMENT**

**Article 164:** The Company shall not appoint or employ, at the same time, more than one of the following categories of managerial personnel, namely

(i) Managing Director, and

(ii) Manager

**CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

**Article 165:** Subject to the provisions of the Act,

(i) A chief executive officer, manager, company secretary, chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary, chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary, chief financial officer.

**Article 166:** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary, chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary, chief financial officer.

**COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

**Article 167:** Copies of the Memorandum and Articles of Association of the Company and other documents, referred to in Section 17 of the Act, shall be sent by the Company to every member, at his request, within 7 (Seven) days of the request, on payment, if required by the Board, of the sum of Re.1/- (Rupee One Only) or such other higher sum, as may be prescribed, from time to time, under the Act and further decided, from time to time, by the Board, for each such copy.

**SEAL**

**Article 168:**

(i) The Board shall provide a Common Seal for the purposes of the Company, and shall have power, from time to time, to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal, for the time being, and that the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. The Common Seal of the Company shall be kept at its office or at such other place, in India, as the Board thinks fit.

The seal, if any, shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of such persons as the Board may authorise for the purpose and as may be required under applicable law.

**DIVIDEND**

**Article 169:** The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles, and further subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up to the Shares held by them, respectively.

**Article 170:** The Company, in general meeting, may declare that dividends be paid to the members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company may, in general meeting, declare a smaller dividend than was recommended by the Board.

**Article 171:** Subject to the applicable provisions of the Act, no dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that:-

(i) if the Company has not provided for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

(ii) if the Company has incurred any loss in any previous financial year or years the amount of loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid as against the profits of the Company for any financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of schedule II of the Act.

**Article 172:** The Board may, from time to time, pay to the members such interim dividend, as in their judgement, the position of the Company justifies.

**Article 173:** Where capital is paid in advance of calls, such capital may carry interest as may be decided, from time to time, by the Board, but shall not, in respect thereof, confer a right to dividend or to participate in profits.

**Article 174:** All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during which any portion or portions of the period in respect of which the dividend is paid up; but if any Share is issued on the terms providing that it shall rank for dividend as from a particular date or on such preferred rights, such Share shall rank for dividend accordingly.

**Article 175:** The Board may retain the dividends payable upon Shares in respect of which any person is, under the Article 61 hereinabove, entitled to become a member, or which any person under that article is entitled to transfer until such person shall become a member in respect of such Shares, or shall duly transfer the same and until such transfer of Shares has been registered by the Company, notwithstanding anything contained in any other provision of the Act or these Articles, the provisions of Section 206A of the Act or the corresponding section of Act, 2013 as and when notified shall apply.

**Article 176:** Any one of several persons, who are registered as joint holders of any Share, may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such Shares.

**Article 177:** No member shall be entitled to receive payment of any interest or dividend in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other person or persons, and the Board may deduct, from the interest or dividend payable to any member, all sums of money so due from him to the Company.

**Article 178:** Subject to the applicable provisions, if any, of the Act, a transfer of Shares shall not pass the right to any dividend declared thereon and made effective from the date prior to the registration of the transfer.

**Article 179:** Unless otherwise directed, any dividend may be paid up by cheque or warrant or by a pay-slip sent through the post to the registered address of the member or person entitled, or, in the case of joint holders, to that one of them first named in the Register in respect of the joint holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay-slip lost in transmission or for any dividend lost to the member or person entitled thereto due to or by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

**Article 180:**

(i) If the Company has declared a dividend but which has not been paid or claimed within 30 (Thirty) days from the date of declaration the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 (Thirty) days a special account to be opened by the Company in that behalf in any scheduled Bank called "the Unpaid Dividend Account of "AUTO RECYCLING SYSTEMS LIMITED". The Company shall within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the Company and also on any other website approved by the Central Government, for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (Seven) years, from the date of such transfer shall be transferred by the Company to the Fund known as the Investor Education and Protection Fund established under sub section (1) of Section 125 of the Act.

**Article 181:** Subject to the provisions of the Act, no unpaid dividend shall bear interest as against the Company.

**Article 182:** Any general meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting decides, but so that the call on each member shall not exceed the dividend payable

to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.

**CAPITALISATION**

**Article 183:**

(i) The Company, in general meeting, may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account or in the hands of the Company and available for dividend, or representing premium received on the issue of Shares and standing to the credit of the Share Premium Account, be capitalised and distributed amongst such of the Shareholders as would be entitled to receive the same, if distributed by way of dividend, and in the same proportion on the footing that they become entitled thereto as capital, and that all or any part of such capitalised fund be applied, on behalf of such Shareholders, in paying up in full either at par or at such premium, as the resolution may provide, any unissued Shares or Debentures or Debenture stock of the Company which shall be distributed accordingly on in or towards payment of the uncalled liability on any issued Shares or Debentures, stock and that such distribution or payment shall be accepted by such Shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied for the paying of any unissued Shares to be issued to members of the Company as, fully paid up, bonus Shares.

(ii) A general meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

(iii) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty, which may arise, in regard to the distribution, as it thinks expedient, and, in particular, may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of value less than Rs.10/- (Rupees Ten Only) may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds, as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Act and the Board may appoint any person to sign such contract, on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

**BORROWING POWERS**

**Article 184:** Subject to the provisions of the Act, the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company. Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient.

**Article 185:** The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid-up capital of the Company and its free reserves.

**Article 186:** Subject to the Act and the provisions of these Articles, any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board, who may issue them upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company.

**ACCOUNTS**

**Article 187:** The Company shall keep at the Office or at such other place in India, as the Board thinks fit and proper, books of account, in accordance with the provisions of the Act with respect to:

(i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(ii) all sales and purchases of goods by the Company;

(iii) the assets and liabilities of the Company;

(iv) Such particulars, if applicable to this Company, relating to utilisation of material and/or labour or to other items of cost, as may be prescribed by the Central Government.

Where the Board decides to keep all or any of the books of account at any place, other than the Office of the Company, the Company shall, within 7 (Seven) days, or such other period, as may be fixed, from time to time, by the Act, of the decision, file with the Registrar, a notice, in writing, giving the full address of that other place.

The Company shall preserve, in good order, the books of account, relating to the period of not less than 8 (Eight) years or such other period, as may be prescribed, from time to time, under the Act, preceding the current year, together with the vouchers relevant to any entry in such books.

Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article, if proper books of account, relating to the transaction effected at the branch office, are kept at the branch office, and the proper summarised returns, made up to day at intervals of not more than 3 (Three) months or such other period, as may be prescribed, from time to time, by the Act, are sent by the branch office to the Company at its Office or other place in India, at which the books of account of the Company are kept as aforesaid.

The books of account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain the transactions represented by it. The books of account and other books and papers shall be open to inspection by any director, during business hours, on a working day, after a prior notice, in writing, is given to the Accounts or Finance department of the Company.

**Article 188:** The Board shall, from time to time, determine, whether, and to what extent, and at what times and places, and under what conditions or regulations, the accounts and books of the Company or any of them shall be open to the inspection of members, not being the directors, and no member, not being a director, shall have any right of inspecting any account or books or document of the Company, except as conferred by law or authorised by the Board.

**Article 189:** The Directors shall, from time to time, in accordance with sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting of the Shareholders of the Company, such Balance Sheets, Profit and Loss Accounts, if any, and the Reports as are required by those Sections of the Act.

**Article 190:** A copy of every such Profit & Loss Accounts and Balance Sheets, including the Directors' Report, the Auditors' Report and every other document(s) required by law to be annexed or attached to the Balance Sheet, shall at least 21 (Twenty-one) days, before the meeting, at which the same are to be laid before the members, be sent to the members of the Company, to every trustee for the holders of any Debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of general meetings of the Company sent to him, and to all persons other than such member or trustees being persons so entitled.

**Article 191:** The Auditors, whether statutory, branch or internal, shall be appointed and their rights and duties shall be regulated in accordance with the provisions of the Act and the Rules made thereunder.

**DOCUMENTS AND NOTICES**

**Article 192:**

(i) A document or notice may be served or given by the Company on any member either personally or by sending it, by post or by such other means such as fax, e-mail, if permitted under the Act, to him at his registered address or, if he has no registered address in India, to the address, if any, in India, supplied by him to the Company for serving documents or notices on him.

(ii) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying, wherever required, and posting a letter containing the document or notice, provided that where a member has intimated to the Company, in advance, that documents or notices should be sent to him under a certificate of posting or by registered post, with or without the acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner and, such service shall be deemed to have been effected, in the case of a notice of a meeting, at the expiration of forty-eight hours after the letter containing the

document or notice is posted, and in any other case, at the time at which the letter would be delivered in the ordinary course of post.

**Article 193:** A document or notice, whether in brief or otherwise, advertised, if thought fit by the Board, in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day, on which the advertisement appears, on or to every member who has no registered address in India and has not supplied to the Company an address within India for the serving of documents on or the sending of notices to him.

**Article 194:** A document or notice may be served or given by the Company on or to the joint holders of a Share by serving or giving the document or notice on or to the joint holder named first in the Register of Members in respect of the Share.

**Article 195:** A document or notice may be served or given by the Company on or to the person entitled to a Share, including the person nominated in the manner prescribed hereinabove, in consequence of the death or insolvency of a member by sending it through the post as a prepaid letter addressed to them by name or by the title or representatives of the deceased, or assigned of the insolvent or by any like description, at the address, if any, in India, supplied for the purpose by the persons claiming to be entitled, or, until such an address has been so supplied, by serving the document or notice, in any manner in which the same might have been given, if the death or insolvency had not occurred.

**Article 196:** Documents or notices of every general meeting shall be served or given in some manner hereinafter authorised on or to (i) every member, (ii) every person entitled to a Share in consequence of the death or insolvency of member, (iii) the Auditor or Auditors of the Company, and (iv) the directors of the Company.

**Article 197:** Every person who, by operation of law, transfer or by other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which, previously to his name and address being entered on the Register of Members, shall have duly served on or given to the person from whom he derives his title to such Shares.

**Article 198:** Any document or notice to be served or given by the Company may be signed by a director or some person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.

**Article 199:** All documents or notices to be served or given by members on or to the Company or any Officer thereof shall be served or given by sending it to the Company or Officer at the Office by post, under a certificate of posting or by registered post, or by leaving it at the Office, or by such other means such as fax, e-mail, if permitted under the Act.

**WINDING UP**

**Article 200:** The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016 (to the extent applicable).

**INDEMNITY AND RESPONSIBILITY**

**Article 201:** Subject to the provisions of the Act, every Director, Secretary and the other officers for the time being of the Company acting in relation to any of the affairs of the Company shall be indemnified out of the assets of the Company from and against all suits, proceedings, cost, charges, losses, damage and expenses which they or any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective office except such suits, proceedings, cost, charges, losses, damage and expenses, if any that they shall incur or sustain, by or through their own wilful neglect or default respectively.

**Article 202:** The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

**SECRECY**

**Article 203:**

(i) Every director, manager, auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with the individuals and in matters relating thereto, and shall, by such declaration, pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by Law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles or the Memorandum of Association of the Company and the provisions of the Act.

(ii) Subject to the provisions of the Act, no member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors, or to require inspection of any books of accounts or documents of the Company or discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and, which in the opinion of the Directors, it would be inexpedient in the interests of the Company to disclose.

**GENERAL POWER**

**Article 204:**

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.

**The status of the Company changed from a private limited company into a public limited company and subsequently the changing the name of the Company from 'AUTO RECYCLING SYSTEMS PRIVATE LIMITED' to 'AUTO RECYCLING SYSTEMS LIMITED', by deletion of the word 'Private' before the word 'Limited' from the name of the Company vide Special Resolution passed by the Members in the Extra-Ordinary General Meeting held on 12th May 2026.**

## SECTION XV – OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than Two (2) years before the date of filing of this Draft Red Herring Prospectus which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, will be delivered to the ROC for filling of the Red Herring Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located 14/A33, IIIrd Floor, Channa Market Wea, Karol Bagh, Central Delhi, New Delhi, Delhi-110005, India, from the date of filing the Draft Red Herring Prospectus to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

### A. MATERIAL CONTRACTS

1. Issue Agreement dated September 7, 2026 between our Company and the Book Running Lead Manager;
2. Registrar Agreement dated September 11, 2026 executed between our Company and the Registrar to the Issue;
3. Underwriting Agreement dated [●] between our Company, the Book Running Lead Manager and Underwriters;
4. Market Making Agreement dated [●] between our Company, the Book Running Lead Manager and Market Maker;
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated August 18, 2025;
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated September 30, 2025;
7. Syndicate Agreement dated [●] among our Company, the BRLM and Syndicate Member;
8. Banker to the Issue Agreement dated [●] between our Company, the Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.

### B. MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company as amended from time to time;
2. Copy of Certificate of Incorporation dated December 24, 2020 issued under the name Auto Recycling Systems Private Limited, issued by Assistant Registrar of Companies;
3. Copy of Fresh Certificate of Incorporation dated June 16, 2026, issued by Assistant Registrar of Companies/ Deputy Registrar of Companies/ Registrar of Companies, Central Processing Centre, consequent to change of name of the company from "Auto Recycling Systems Private Limited" to "Auto Recycling Systems Limited" pursuant to the conversion of our Company into a Public Limited Company;
4. Board Resolution dated July 4, 2026, and Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EoGM by the shareholders of our Company held on July 7, 2026;
5. Statement of Possible Tax Benefits dated September 23, 2026 issued by our Peer review Auditors i.e. M/s M Parashar & Co;
6. Copy of Restated Financial Statements along with Report from the peer review certified auditor i.e. M/s. M Parashar & Co, Chartered Accountants for the financial year ended on March 31, 2026, March 31, 2025 and March 31, 2024 dated September 16, 2026 included in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus;
7. Copy of Audited Financial Statement for the financial year ended on March 31, 2026, March 31, 2025 and March 31, 2024;
8. Certificate on Key Performance Indicators issued by the M/s M Parashar & Co, Chartered Accountants dated September 23, 2026;
9. Board Resolution dated September 28, 2026 for approval of Draft Red Herring Prospectus;
10. Certificate dated September 11, 2026 from Sanjiv Raghvendra Betdur, Independent Chartered Engineer (M-1359341 Practice Registration No. PP1000782) for certifying capacity utilization;

11. Consent of Promoters, Board of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Senior Management Personnel (SMP), Statutory Auditors, Peer review Auditor, Legal Advisor to the Issue, Independent Chartered Engineer, Bankers of our Company, Book Running Lead Manager to the Issue, Underwriter to the Issue*, Market Maker to the Issue*, Syndicate Member*, Registrar to the Issue and Banker to the Issue*, to include their names in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus to act in their respective capacities;

**to be obtained prior to filling of Final Prospectus.*

12. Due Diligence Certificate dated September 26, 2026 along with the site visit report by the Book Running Lead Manager;

13. No Objection Certificate from Lenders.

14. Application submitted by the Company to SEBI under Regulation 300(1)(c) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 seeking exemption from disclosure of certain immediate relatives of our promoter, along with SEBI's response letter dated June 11, 2026, and related correspondence.

15. Approval from BSE vide letter dated [●] to use the name of BSE in the Red Herring Prospectus/ Prospectus for listing of Equity Shares on the SME Platform of the BSE Limited.

Any of the contracts or documents mentioned in the 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, with the consent of shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF THE COMPANY:**

Sd/-
**Sanjeev Malhotra**
Chairman and Managing Director
DIN: 00525447

**Place:** Delhi
**Date:** September 28, 2026

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF THE COMPANY:**

Sd/-
**Sarthak Malhotra**
Whole-Time Director
DIN: 03558441

**Place:** Delhi
**Date:** September 28, 2026

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF THE COMPANY:**

Sd/-
**Ranjana Malhotra**
Non-Executive Director
DIN: 01404075

**Place:** Delhi
**Date:** September 28, 2026

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF THE COMPANY:**

Sd/-
**Sunaina Prashant Ahuja**
Independent Director
DIN: 00525447

**Place:** Delhi
**Date:** September 28, 2026

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF THE COMPANY:**

Sd/-
**Ram Kumar Sharma**
Independent Director
DIN: 00862599

**Place:** Delhi
**Date:** September 28, 2026

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY:**

Sd/-
**Meenakshi Gupta**
Chief Financial Officer

**Place:** Delhi
**Date:** September 28, 2026

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF THE COMPANY:**

Sd/-
**Jyoti Bala Soni**
Company Secretary & Compliance Officer

**Place:** Delhi
**Date:** September 28, 2026