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NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, OUTSIDE INDIA.
Initial public offer of equity shares on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



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



HERO MOTORS LIMITED

(TO BE LISTED ON THE MAIN BOARD OF BSE AND NSE)

Our Company was incorporated in the name of 'Hero Briggs & Stratton Auto Private Limited' as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 30, 1998, issued by the Registrar of Companies, Delhi and Haryana. Thereafter, our Company became a deemed public company, and the name of our Company was changed to 'Hero Briggs & Stratton Auto Limited' with effect from August 25, 1998. Pursuant to the enactment of Companies (Amendment) Act, 2000 and by effect of Section 43A(2A) of the Companies Act, 1956, our Company was again converted into a private limited company with effect from June 1, 2001, and the name of our Company was accordingly changed to 'Hero Briggs & Stratton Auto Private Limited'. Thereafter, pursuant to the termination of the joint venture agreement with Briggs & Stratton International Inc. (USA) in 2001, the name of our Company was changed to 'Hero Auto Private Limited' and a fresh certificate of incorporation dated April 10, 2003, was issued by the Registrar of Companies, Delhi and Haryana. Subsequently, the name of our Company was changed to 'Hero Auto Limited' upon conversion to a public limited company on October 30, 2003, pursuant to a fresh certificate of incorporation issued by the Registrar of Companies Delhi and Haryana. Further, pursuant to the fresh certificate of incorporation dated September 15, 2004, issued by the Registrar of Companies, Delhi and Haryana, the name of our Company was changed to 'Hero Motors Limited' to reflect the true nature of the Company's business, which is the name of our Company as on the date of the Red Herring Prospectus dated September 9, 2026 (the "RHP"). For details of changes in the name and registered office address of our Company, see '*History and Certain Corporate Matters*' on page 301 of the RHP.

Registered Office: Hero Nagar, GT Road, Ludhiana, Punjab – 141 003, India. **Corporate Office:** Max Square, Office level, 7th floor Plot No. C3-C, Jaypee Wishtown, Sector 129, Noida, Uttar Pradesh, 201 304, India.
Telephone: +91 120 4412 000; **Contact person:** Sakshi Dureja, Company Secretary and Compliance Officer; **E-mail:** investorrelations@heromotors.com; **Website:** www.heromotors.com; **Corporate Identity Number:** U29299PB1998PLC039602

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

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

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

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

PRICE BAND: ₹79 TO ₹84 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.
THE FLOOR PRICE IS 7.9 TIMES THE FACE VALUE OF THE EQUITY SHARES AND
THE CAP PRICE IS 8.4 TIMES THE FACE VALUE OF THE EQUITY SHARES.
BIDS CAN BE MADE FOR A MINIMUM OF 178 EQUITY SHARES OF FACE VALUE OF ₹10 EACH AND
IN MULTIPLES OF 178 EQUITY SHARES OF FACE VALUE OF ₹10 EACH THEREAFTER.
THE PRICE TO EARNINGS RATIO ("P/E") BASED ON DILUTED EPS FOR FISCAL 2026 FOR OUR COMPANY AT THE LOWER END
OF THE PRICE BAND (I.E. FLOOR PRICE) IS 69.30 TIMES AND AT THE UPPER END OF THE PRICE BAND (I.E. CAP PRICE) IS 73.68 TIMES
AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 50.20 TIMES FOR FISCAL 2026.
WEIGHTED AVERAGE RETURN ON NET WORTH FOR LAST THREE FINANCIAL YEARS IS 7.58%.

The details of the Fresh Issue, Offer for Sale and the post Offer market capitalization of the Company, each at the Floor Price and the Cap Price, are given below:

Particulars	OFFER SIZE AND MARKET CAPITALIZATION			
	At Floor Price of ₹79 per equity share		At Cap Price of ₹84 per equity share	
	Up to No. of Equity Shares of face value of ₹10 each	Up to Amount (₹ in Million)	Up to No. of Equity Shares of face value of ₹10 each	Up to Amount (₹ in Million)
Fresh Issue	75,949,367	6,000.00	71,428,571	6,000.00
Offer For Sale	50,632,911	4,000.00	47,619,047	4,000.00
Total Offer Size	126,582,278	10,000.00	119,047,618	10,000.00
Post Offer Market Capitalization	458,736,372	36,240.00	454,215,576	38,154.00

BID/ OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD OPENS AND CLOSES ON TUESDAY, 15 SEPTEMBER, 2026

BID/ OFFER OPENS ON WEDNESDAY, 16 SEPTEMBER, 2026

BID/ OFFER CLOSES ON FRIDAY, 18 SEPTEMBER, 2026*

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

We are one of India's leading automotive technology companies engaged in designing, developing, manufacturing and supplying highly engineered powertrain solutions catering to automotive original equipment manufacturers ("OEMs") in United States, Europe, India and the Association of Southeast Asian Nations ("ASEAN") region. (Source: CRISIL Report).

THE OFFER IS BEING MADE THROUGH THE BOOK BUILDING PROCESS IN ACCORDANCE WITH REGULATION 6(1) OF THE SEBI ICDR REGULATIONS.
THE EQUITY SHARES OF THE COMPANY WILL GET LISTED ON THE MAIN BOARDS OF BSE AND NSE.
BSE SHALL BE THE DESIGNATED STOCK EXCHANGE.

- QIB PORTION: NOT MORE THAN 50% OF THE OFFER
- NON-INSTITUTIONAL PORTION: NOT LESS THAN 15% OF THE OFFER
- RETAIL PORTION: NOT LESS THAN 35% OF THE OFFER

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RHP AND THE TERMS OF THE OFFER, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE OFFER AVAILABLE IN ANY MANNER. IN RELATION TO PRICE BAND, POTENTIAL INVESTORS SHOULD ONLY REFER TO THIS PRICE BAND ADVERTISEMENT FOR THE OFFER AND SHOULD NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION AVAILABLE IN ANY MANNER IN RELATION TO THE VALUATION OF THE COMPANY AS THESE ARE NOT ENDORSED, PUBLISHED OR CONFIRMED EITHER BY THE COMPANY OR THE BOOK RUNNING LEAD MANAGERS ("BRLMs").

In accordance with the recommendation of the Committee of Independent Directors of our company, pursuant to their resolution dated September 9, 2026, the above provided Price Band is justified based on Quantitative factors/ Key performance indicators disclosed in the "Basis for Offer Price" section on page 126 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in the "Basis for Offer Price" section beginning on page 126 of the RHP and provided below in this advertisement.

RISK TO INVESTORS

For details, refer to section titled "*Risk Factors*" on page 21 of the RHP.

- 1. Geographical Concentration Risk:** For Fiscals 2026, 2025 and 2024, 96.09%, 95.33% and 95.75% of our revenue from operations, respectively, was derived from India, Europe and United States collectively. An economic slowdown in these geographies/countries or tightening of laws or regulations may have an adverse impact on our business, financial condition, cash flows and results of operations.
- 2. End-industry concentration risk:** Our business is substantially dependent on the e-bike and two-wheeler industries in India and overseas. Any adverse changes in the conditions affecting these industries can adversely impact our business, results of operations, cash flows and financial condition.
- 3. Supplier Risk:** We depend on a limited number of suppliers for the

procurement of raw materials for our production. Any interruption in the supply of raw materials could adversely affect our business, financial condition, results of operations and cash flows. The table below provides the cost of raw materials consumed sourced from our top one, top five and top 10 suppliers in the years indicated:

Supplier	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Cost of Raw Materials (₹ million)	Percent-age of Total Expe-nses (%)	Cost of Raw Materials (₹ million)	Percent-age of Total Expe-nses (%)	Cost of Raw Materials (₹ million)	Percent-age of Total Expe-nses (%)
Top Supplier*	365.80	3.17%	324.44	3.03%	296.10	2.80%

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

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

4. **Business Risk:** We are subject to stringent quality, tolerance and delivery requirements from customers. Failure to comply may result in recalls, warranty claims, loss of business share, or cancellation order.
5. **Customer Concentration Risk:** Our business largely depends on our top 10 customers which contributed 72.89%, 78.03% and 76.96% of our revenue from operations in Fiscals 2026, 2025 and 2024. The loss of any of these customers could have an adverse effect on our business, results of operations, financial condition and cash flows. The following table sets forth our revenues from our top ten customers in the periods indicated:

Category	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Customers (₹ million)	Percentage of Revenue from Operations (%)
Top 10 Customers	8,661.40	72.89%	8,501.96	78.03%	8,191.86	76.96%

Note: Our top 10 customers are based on the revenue contribution of the relevant customer in the relevant Fiscals, as the case maybe

6. **Technology and Product-transition Risk:** We may not be able to anticipate and respond swiftly to changing technological and market trends, as well as to develop new products aligned with customer demands in the automotive sector, which could have an adverse impact on our financial condition
7. **Competition Risk:** We compete with established global players (ZF Friedrichshafen AG, Musashi Co. Ltd., BorgWarner Inc., GKN PLC, Bafang, Mahle, Shimano Inc, Rohloff, Badve Group, Sandhar Technologies, Magnum) in the powertrain solutions industry. Inability to compete effectively could adversely affect our business, financial condition, results of operations and cash flows.
8. **Hazardous operations Risk:** Our manufacturing operations involve

hazardous activities (storage of petroleum/compressed gases, chemical handling), which could result in accidents, operational suspension, or civil/criminal liability.

9. **Brand and Reputation Risk:** Our business depends on maintaining brand reputation and product quality perception and any failure to do so could adversely affect customer relationships and financial performance.
10. **Operating Risk:** We operate six manufacturing facilities (four in India – three in Ludhiana, Punjab and one in Gautam Buddha Nagar, UP; one each in United Kingdom and Thailand), with two more under construction. Any shutdown or disruption at these facilities could reduce sales and adversely affect our operations
11. The price to earnings ratio based on diluted EPS for Fiscal 2026 for our company at the upper end of the price band is 73.68 times. The average industry price-to-earnings ratio is 50.20.
12. The average cost of acquisition of Equity shares for Selling shareholders ranges from ₹0.03* per Equity share to ₹10.07 per Equity share and the offer at upper end of the Price Band is ₹84 per Equity Share.
**The weighted average cost of acquisition is ₹0.027 per Equity Share and has been rounded to ₹0.03.*
13. Weighted Average Return on Net Worth for Fiscals 2026, 2025 and 2024 is 7.58%.
14. Weighted average cost of acquisition of all Equity Shares transacted in the last one year, 18 months and three years preceding the date of the RHP by the Promoters, Promoter Group, Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights

Period*	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price-Highest Price (in ₹)
Last 1 year	NIL	NA	NIL
Last 18 months	NIL	NA	NIL
Last 3 years	NIL	NA	NIL

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

15. The three BRLMs associated with the Offer have handled 102 public issues in the past three years out of which 27 issues closed below the offer price on listing date:

Name of BRLM	Total Issues	Issues Closed below IPO price as on listing date
ICICI Securities Limited*	33	9
JM Financial Limited*	34	6
DAM Capital Advisors Limited*	13	3
Common Issues	22	9
Total	102	27

*Issues handled where there were no common BRLMs

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Additional Information for Investors

1. Our Company has not undertaken pre-IPO placement from the DRHP till date.
2. The Promoters or members of the Promoter Group have not undertaken any transaction of shares aggregating up to 1% or more of the paid-up equity share capital of the Company from the DRHP till date.
3. The aggregate pre- Offer and post- Offer shareholding of our Promoters (including the Promoter Selling Shareholder), members of the Promoter Group, the additional top 10 Shareholders and other public Shareholders is set out below:

S. No	Pre-Offer shareholding at the date of the Red Herring Prospectus			Post-Offer shareholding as at the date of Allotment**			
	Name of the shareholder	Number of Equity Shares on a fully diluted basis ⁴	Shareholding on a fully diluted basis (in %) ⁴	At the lower end of the price band (₹79)		At the upper end of the price band (₹84)	
				Number of Equity Shares*	Shareholding (in %)*	Number of Equity Shares*	Shareholding (in %)*
Promoter							
1.	O P Munjal Holdings ^A	273,123,055	70.60%	223,123,055	48.21%	226,099,246	49.34%
2.	Pankaj Munjal	9,400,436	2.43%	9,400,436	2.03%	9,400,436	2.05%
3.	Charu Munjal	942,425	0.24%	942,425	0.20%	942,425	0.21%
4.	Abhishek Munjal	706,210	0.18%	706,210	0.15%	706,210	0.15%
Promoter Group							
1.	Hero Cycles Limited	7,752,750	2.00%	7,119,839	1.54%	7,157,512	1.56%
2.	Aditya Munjal	707,022	0.18%	707,022	0.15%	707,022	0.15%
3.	Bhagyoday Investments Private Limited	23,978,804	6.20%	23,978,804	5.18%	23,978,804	5.23%
4.	Pankaj Munjal (on behalf of Munjal Sales Corporation)	392,344	0.10%	392,344	0.08%	392,344	0.09%
5.	Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP ^{AA})	10,537,140	2.72%	10,537,140	2.28%	10,537,140	2.30%
Additional top 10 Shareholders³							
1.	South Asia Growth Invest LLC	46,855,307	12.11%	46,855,307	10.12%	46,855,307	10.22%
2.	Amit Gupta	5,584,167	1.44%	5,584,167	1.21%	5,584,167	1.22%
3.	Keshav Mishra	1,000,000	0.26%	1,000,000	0.22%	1,000,000	0.22%
4.	Shri Parasram Commodities Pvt. Ltd.	203,222	0.05%	203,222	0.04%	203,222	0.04%
5.	Madhu Dalmia	160,000	0.04%	160,000	0.03%	160,000	0.03%
6.	South Asia EBT Trust ^{AAA}	150,768	0.04%	150,768	0.03%	150,768	0.03%
7.	Vinay Bansal	115,000	0.03%	115,000	0.02%	115,000	0.03%
8.	Vimal Kumar Bansal	115,000	0.03%	115,000	0.02%	115,000	0.03%
9.	Shyam Sunder Bansal	110,000	0.03%	110,000	0.02%	110,000	0.02%
10.	Vansh Garg	100,000	0.03%	100,000	0.02%	100,000	0.02%
Other public Shareholders							
11.	-@	853,355	0.22%	127,435,633	27.54%	119,900,973	26.16%
	Total	382,787,005	98.95%	458,736,372	99.12%	454,215,576	99.11%

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

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

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

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

⁴ Calculated on the basis of total Equity Shares held and such number of Equity Shares which will result upon conversion of outstanding CCPS and exercise of vested options under the ESOP 2022.

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

BASIS FOR OFFER PRICE



The “Basis for Offer Price” on page 126 of the RHP has been updated with the above Price Band. Please refer to the website of the BRLMs: www.icicisecurities.com, www.damcapital.in, www.jmfi.com for the “Basis of Offer Price” updated for the above Price Band. (You may scan the QR code for accessing the website of ICICI Securities Limited)

The Price Band has been and Offer price will be determined by our Company, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative, operational and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is 7.9 times the face value and the Cap Price is 8.4 times the face value. Investors should also see “Risk Factors”, “Summary of Financial Information”, “Our Business”, “Restated Consolidated Financial Information”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 21, 66, 253, 347, and 446, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

Among India’s Leading Solutions Provider to Global E-Mobility Industry backed by Diversified Product and Service Offerings

We are one of India’s leading solutions providers to global e-mobility industry (Source: CRISIL Report) with our revenue from sales to e-mobility industry being ₹2,732.90 million, ₹1,755.92 million and ₹1,280.85 million, accounting for 23.00%, 16.12% and 12.03%, respectively of our revenue from operations for Fiscal 2026, 2025 and 2024, respectively. We are among the few companies globally that design high-performance transmission systems capable of handling tough torque needs while keeping components lightweight and meeting noise, vibration and harshness (“NVH”) requirements of electric vehicles.

Growing Market Presence in the Electric Bikes and Premium Two-Wheelers Segments

Over the last five years, we have expanded our market presence across automotive segments and have grown our business with premium two-wheeler OEMs globally. In the premium two-wheeler segment, we have partnered with OEMs such as BMW, Ducati and a leading American two-wheeler OEM among others, for Powertrain Solutions covering design, development, prototyping, validation and high-volume manufacturing. The global e-bike market is projected to reach 12.5 million to 14.5 million units by 2031 at a CAGR of 6% to 9% (from 2024 to 2031). E-bike sales in Europe are expected to grow at a CAGR of 5% to 8%, reaching 8 to 10 million units by 2031, while the U.S. market are expected to grow at a CAGR of 16% to 19%. The global two-wheeler industry is expected to witness a significant acceleration in electrification through 2031, with electric motorcycles and scooters gaining share across major markets. EV penetration in the motorcycle segment is projected to increase from 2.0% in 2025 to 10.5% to 12.5% by 2031, reflecting a robust CAGR of 34% to 38%, supported by improving battery technology, expanding charging infrastructure, and growing government support for electric mobility. Advancements in battery technology and design have made e-bikes a serious contender for commuting, recreation and utility cycling. (Source: CRISIL Report) The contribution of e-mobility to our sales accounted for 23.00% of our revenue from operations in Fiscal 2026.

Longstanding Relationships with Premier Global Original Equipment Manufacturers and Expertise in Delivering Solutions

We have a diverse and premium customer base, serving clients both in India and internationally. In the automotive sector, we collaborate with global two-wheeler OEMs including BMW, Ducati, and Hero MotoCorp; players from motor sport industries such as Formula Motorsport and HWA Engineering; global commercial vehicle and off-road OEMs such as Escorts; and envio. Our customers in the non-automotive segment for both electric and non-electric powertrain and transmission systems include global OEMs such as B&S, and various e-powertrain applications for supercar manufacturers.

Our customer portfolio has been strategically diversified to reduce reliance on domestic customers. The table below provides revenue from operations generated from domestic customers as a percentage of revenue from operations for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Revenue from operations from India	6,968.24	58.64%	6,434.91	59.06%	6,249.85	58.72%

Advanced Infrastructure with Geographically Diverse Operations

Our operational strength extends worldwide as we strategically establish manufacturing and assembly facilities to meet diverse market and customer demands. We believe that strategic geographic dispersion of our G&T facilities across India, the United Kingdom, and Thailand allows us to be in close proximity to our customers and offer cost competitive solutions.

We have generated significant revenues from international markets. The table below sets forth our revenue from operations from international customers:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Revenue from operations from international customers	4,915.27	41.36%	4,461.02	40.94%	4,394.01	41.28%

Strong Research and Development Capabilities and Long-Term Partnerships

Over the years, we have expanded our capabilities to include design and engineering.

The table below provides our research and development expenses as a percentage of revenue from operations and as a percentage of total expenses for Fiscal 2026, 2025 and 2024:

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Research and Development Expense	895.91	7.54%	772.68	7.09%	793.13	7.45%

Legacy of Diverse Growth, Experienced Management Team and Strong Corporate Governance

For details, see “Our Business – Our Competitive Strengths” on page 260 of the RHP.

Quantitative factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see “Restated Consolidated Financial Information” beginning on page 347 of the RHP.

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

A. Basic and Diluted Earnings Per Equity Share (“EPS”) (face value of each Equity Share is ₹10):

Fiscal/Period Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2024	0.36	0.35	1
March 31, 2025	0.67	0.66	2
March 31, 2026	1.15	1.14	3
Weighted Average	0.86	0.85	

Notes:

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

ii) Basic Earnings per Equity Share (₹) = Net profit after tax attributable to owners of the Company, as restated / Weighted average no. of Equity Shares outstanding during the year.

iii) Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to owners of the Company, as restated / Weighted average no. of potential Equity Shares outstanding during the year.

iv) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 “Earnings per share”.

v) The figures disclosed above are based on the Restated Consolidated Ind-AS Financial Statements of the Company.

B. Price/Earning (“P/E”) ratio in relation to Price Band of ₹79 to ₹84 per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for year ended March 31, 2026	68.70	73.04
Based on diluted EPS for year ended March 31, 2026	69.30	73.68

Notes:

i) P/E ratio = Price per equity share / Earnings per equity share.

C. Industry Peer Group P/E ratio

Particulars	Industry Peer P/E	Name of the Company
Highest	76.50	Sona BLW Precision Forgings
Lowest	17.68	CIE Automotive India
Average	50.20	

The industry high and low has been considered from the industry peer set provided later in the section titled “Basis for Offer Price Comparison of Accounting Ratios with Listed Industry Peers” beginning on page 128 of the RHP.

The industry P/E ratio mentioned above is computed based on the closing market price of equity shares on BSE on September 07, 2026 divided by the Diluted EPS as on for the financial year ended March 31, 2026.

D. Return on Net Worth (“RoNW”)

Fiscal/Period Ended	RoNW (%)	Weight
March 31, 2024	4.42	1
March 31, 2025	7.74	2
March 31, 2026	8.53	3
Weighted Average	7.58	

Notes:

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

ii) Return on Net Worth (%) = Net Profit after tax, as restated / Restated net worth at the end of the year/period.

iii) Net-worth: Net worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, compulsory convertible reserve minus non-controlling interest. Total number of shares at the end of the year is the number of equity shares outstanding at the end of the year.

iv) The figures disclosed above are based on the Restated Consolidated Ind-AS Financial Statements of the Company.

E. Net Asset Value (“NAV”) per Equity Share

Particulars	Amount (₹)
As on March 31, 2026	12.72
After the completion of the Offer	
- At the Floor Price	23.60
- At the Cap Price	23.83
Offer Price [*]	[●]

^{*} To be updated prior to filing of the Prospectus with RoC

Notes:

i) Net asset value per share represents Net assets divided by total number of shares at the end of the year.

ii) Net assets is total assets minus current liability minus non-current liability minus capital reserve (including non-controlling interest reserve) minus foreign currency translation reserve minus non-controlling interest. Total number of shares at the end of the year is the number of equity shares outstanding at the end of the year.

iii) Net assets calculation ‘after the completion of offer’ is based on (Net assets as on 31st March 2026 plus Amount received on Fresh issue of shares) / (Pre-equity share capital as on the date of RHP plus Fresh issue of shares at Floor Price and Cap Price respectively).

F. Comparison of accounting ratios with Listed Industry Peers

Name of the Company	Face Value (₹ per share)	Closing Price as on September 07, 2026 (₹ per share)	Revenue from operations for Financial Year 2026 (in ₹ million)	Earnings per Financial year 2026 (₹) ¹⁾		Net Asset Value per Equity share as on March 31, 2026 ²⁾	Price / Earnings Ratio for the Financial year 2026 ³⁾	Return on net worth for the Financial year 2026 ⁴⁾
				Basic	Diluted			
Hero Motors Limited	10	Not applicable	11,883.51	1.15	1.14	12.72	Not applicable	8.53%
CIE Automotive India Limited ⁵⁾	10	383.55	94,064.74	21.69	21.69	164.65	17.68	13.18%
Endurance Technologies Limited	10	2,763.20	1,45,958.80	67.66	67.66	442.54	40.84	15.29%
Sona BLW Precision Forgings Limited	10	788.00	44,494.60	10.30	10.30	93.93	76.50	10.77%
UNO Minda Limited	2	1,241.70	1,96,575.90	20.78	20.75	113.77	59.84	19.59%
Varroc Engineering Limited	1	827.05	88,904.93	14.73	14.73	80.45	56.15	16.70%

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results as available of the respective company for the financial year ended March 31, 2026 submitted to stock exchanges.

Notes:

1. Basic/diluted earnings per share refers to the basic/diluted earnings per share sourced from the financial statements of the respective peer group companies for the financial year ended.

2. Net asset value per equity share = Net asset value per share represents Net assets divided by total number of shares at the end of the year. Net assets is total assets minus current liability minus non-current liability minus capital reserve minus foreign currency translation reserve minus non-controlling interest. Total number of shares at the end of the year is the number of equity shares outstanding at the end of the year plus weighted average number of potential equity shares on account of compulsory convertible preference shares / share pending issue

3. Price/earnings ratio for the peer group has been computed based on the closing market price of equity shares on NSE as on September 07, 2026 divided by the diluted earnings per share for financial year ended March 31, 2026.

4. Return on Net Worth is calculated as Profit for the period / year as a percentage of Net Worth.

5. In relation to CIE Automotive India Ltd., please read Financial Year 2026 as Calendar year 2025.

Weighted average cost of acquisition (“WACA”), floor price and cap price

1. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP 2022) during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)

The Company has not issued any Equity Shares (excluding Equity Shares issued under the ESOP 2022), during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days.

Date of transaction	Name of the acquirer	No. of Compulsory Convertible Preference shares (CCPS)	No. of Equity Shares	Remarks
September 4, 2026	South Asia Growth Invest LLC	20,908,283	20,908,283	Conversion of CCPS to Equity shares in the ratio of 1:1
	South Asia EBT Trust [*]	63,658	63,658	Conversion of CCPS to Equity shares in the ratio of 1:1

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

2. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving any of the Promoters, members of the Promoter Group, Selling Shareholders or other shareholders with rights to nominate directors during the 18 months preceding the date of filing of the Draft Red Herring Prospectus / the Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company, in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)

There have been no secondary sale/acquisitions of Equity Shares or any convertible securities (“Security(ies)”), where the Promoter, members of the Promoter Group, Selling Shareholders or the Shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

3. The Floor Price is NA times and the Cap Price is NA times the weighted average cost of acquisition at which the equity shares were issued by our Company (excluding Equity Shares issued under the ESOP 2022 and conversion of CCPS), or acquired or sold by the Selling Shareholders or other shareholders with rights to nominate directors are disclosed below:

Past Transactions ¹	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)	Cap Price (in ₹)
WACA of equity shares that were issued by our Company	Nil ²	Not applicable	Not applicable
WACA of equity shares that were acquired or sold by way of secondary transactions	Not Applicable	Not applicable	Not applicable

¹ As certified by Ramesh C Agrawal & Co., Chartered Accountants, by way of their certificate dated September 9, 2026.

² The consideration was paid at the time of allotment of CCPS.

4. Justification for Basis of Offer price

1. We are one of India’s leading automotive technology companies designing, manufacturing, and supplying highly engineered powertrain solutions catering to automotive OEMs in US, Europe, India and ASEAN regions (Source: CRISIL Report)
2. We are the only player manufacturing and exporting CVT hubs to the global e-bike OEMs from India and the only manufacturer of integrated electric powertrain products for e-bikes in India (Source: CRISIL Report)
3. We are among the few companies that addresses requirements of the premium ICE and performance ICE segment that require high-performance transmission systems capable of handling tough torque needs while keeping components lightweight (Source: CRISIL Report)
4. We are amongst the few companies in India that operates an international product development and design center
5. Our offerings find application in two-wheelers, performance automotive, e-bikes, off-road vehicles, electric and hybrid cars, heavy duty vehicles, and electric vertical take-off and landing categories
6. We are among the first companies in India to capitalize on the global e-bike powertrain opportunity and has a distinct first mover advantage in this industry
- The Offer Price of ₹[●] has been determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the demand from investors for the Equity Shares through the Book Building process. Investors should read the abovementioned information along with “Risk Factors”, “Our Business” and “Restated Consolidated Financial Information” beginning on pages 21, 253 and 347 of the RHP respectively, to have a more informed view.

