



# KAY JAY FORGINGS LIMITED

Corporate Identity Number: U74899DL1983PLC029298

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
A-8, Maya Puri Industrial Area Phase-1, New Delhi, Delhi - 110064, India.	E-2, Focal Point, Ludhiana, Punjab - 141010, India.	Amit Verma, Company Secretary and Compliance Officer	Telephone: +91 161 4687000 Email: cs.ldh@kayjayforgings.com	www.kayjayforgings.com

## OUR PROMOTERS: GOPAL KRISHAN KOTHARI AND AMIT KOTHARI

### DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE <sup>^</sup>	OFFER FOR SALE SIZE	TOTAL OFFER SIZE <sup>^</sup>	ELIGIBILITY AND RESERVATIONS
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 3,000.00 million	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 600.00 million	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 3,600.00 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”). For further details, see “Other Regulatory and Statutory Disclosures – Eligibility for the OfferError! Reference source not found.” on page 365. For details in relation to share reservation among QIBs, NIBs RIBs, and Eligible Employees, see “Offer Structure” on page 381.

### DETAILS OF THE OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH OFFERED / AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH (IN ₹) <sup>(1)</sup>
Gopal Krishan Kothari	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 520.00 million	1.85
Amit Kothari	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 30.00 million	2.04
Madhu Kothari	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 30.00 million	15.99
G K Kothari & Sons	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 20.00 million	0.31

<sup>(1)</sup> As certified by M/s. Goyal Sanjay & Associates, Chartered Accountants, having firm registration number 010083N, pursuant to their certificate dated March 30, 2026.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of our Equity Shares is ₹ 5 each. The Floor Price, Cap Price, and the Offer Price, as determined by our Company, in consultation with the Book Running Lead Manager to the Offer (“BRLM”), in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated in “Basis for Offer Price” on page 112 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does the SEBI guarantee the accuracy or adequacy of the contents of the Draft Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 20.

### ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in the 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 the Draft Red Herring Prospectus as a whole, or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made or confirmed by such Selling Shareholders in the Draft Red Herring Prospectus solely to the extent of information specifically pertaining to them and/or their respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholder assumes no responsibility for any other statement in the Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or our Company's business or any other Selling Shareholders or persons.

### LISTING

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

BOOK RUNNING LEAD MANAGER					
NAME AND LOGO OF BOOK RUNNING LEAD MANAGER			CONTACT PERSON		EMAIL AND TELEPHONE
 <b>PL Capital</b> PRABHUDAS LILLADHER		PL Capital Markets Private Limited		Narendar Gamini / Ashwinikumar Chavan	<b>Email:</b> kayjayipo@plindia.com <b>Telephone:</b> +91 22 6632 2222
REGISTRAR TO THE OFFER					
NAME AND LOGO OF THE REGISTRAR			CONTACT PERSON		EMAIL AND TELEPHONE
		Bigshare Services Private Limited		Babu Rapheal C	<b>Email:</b> ipo@bigshareonline.com <b>Telephone:</b> +91 22 62638200
BID/ OFFER PROGRAMME					
ANCHOR INVESTOR BID/ OFFER PERIOD <sup>(1)</sup>	[●]	BID/OFFER ON <sup>(2)</sup>	OPENS [●]	BID/OFFER CLOSING ON <sup>(2)(3)^</sup>	[●]


<sup>(1)</sup> Our Company, in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.

<sup>(2)</sup> Our Company, in consultation with the BRLM, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.

<sup>(3)</sup> UPI mandate end time and date shall be at 5:00 pm on the Bid/ Offer Closing Date.

<sup>^</sup> Our Company, in consultation with the BRLM, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹400.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the equity shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) and as may be required under applicable law. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

# IN THE NATURE OF DRAFT ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE DRAFT RED HERRING PROSPECTUS

	<p>The following is a general summary of certain disclosures in the Draft Red Herring Prospectus and the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in the Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in the Draft Red Herring Prospectus, which is available at the websites of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a>, National Stock Exchange of India Limited and BSE Limited at <a href="http://www.nseindia.com">www.nseindia.com</a> and <a href="http://www.bseindia.com">www.bseindia.com</a>, respectively, the Company at <a href="http://www.kayjayforgings.com">www.kayjayforgings.com</a> and the BRLM at <a href="http://www.plindia.com">www.plindia.com</a>.</p>
<p>Please scan this QR code to view the Draft Red Herring Prospectus and the Draft Abridged Prospectus</p>	<p>References below to page numbers are to page numbers of the Draft Red Herring Prospectus dated March 30, 2026. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the Draft Red Herring Prospectus.</p>

## 1. Summary of the primary business

### (a) Business Overview - Products

We are a precision engineering integrated manufacturer of forged and machined components, primarily catering to original equipment manufacturers (“OEMs”) in the automotive sector. According to the CARE Report, within the forged crankshaft component market segment, we are the largest supplier of crankshaft and crankshaft assemblies to OEMs in India for two-wheelers with an estimated domestic market share of ~36% in Fiscal 2025. During six-month period ended September 30, 2025, we have supplied a portfolio of 286 products with key products including crankshaft and crankshaft assemblies, lower bracket assemblies, lever kick-starter assemblies, gear-shift lever assemblies, propeller shafts, door hinges and steering yokes.

### (b) Industries Served and Typical Customers

We serve domestic and international OEM and non-OEM customers in the automotive sector as well as select non-automotive industries such as farm equipment, mining equipment and consumables and durables. We cater to various marquee customers, including TVS Motor Company Limited, Honda Motorcycle and Scooter India Private Limited and Mahindra and Mahindra Limited

### (c) Segment Reporting and Revenue Contribution

Our Company is engaged in the business of manufacturing of forged and machined components. There are no separate reportable segments. For further details, please see “**Restated Financial Information – Note 45 – Segment reporting**” on page 311.

### (d) Key Geographies

We serve customers across India and overseas in countries including Hungary, France, Germany, Sweden and USA.

### (e) Revenue Concentration Among Top 5 Customers

The top five customers contributed ₹3,989.30 million, ₹6,256.96 million, ₹5,587.30 million and ₹5,057.15 million to our revenue for the six-month period ended September 30, 2025, and for the Fiscal 2025, 2024 and 2023, representing approximately 85.60%, 83.37%, 83.11% and 83.91% of our revenue from sale of products, respectively.

### (f) Key Facilities

As on the date of the Draft Red Herring Prospectus, we operate six manufacturing facilities, with four being in Ludhiana, Punjab and two in Hosur, Tamil Nadu. For further details, see “**Our Business – Material Properties**” on page 213.

### (g) Business Strengths and Strategies

#### Strengths

- (1) Long-standing relationships with customers and suppliers with a track record of repeat orders
- (2) Modern manufacturing facilities with in-house design and a sustained focus on enhancing our capabilities

- (3) Backward-integrated manufacturing operations enhancing quality and supply reliability
- (4) Product portfolio tailored to customer requirements with the capability to expand product portfolio
- (5) Consistent track record of financial performance and strong financial position
- (6) Experienced Promoters, Directors, Key Managerial Personnel and Senior Management team and a skilled workforce

#### Strategies

- (1) Capitalize on industry tailwinds through proposed expansion
- (2) Foraying into lightweight aluminium forged and machined components
- (3) Leverage our industry-leading capabilities by continuing to strengthen relationships with existing customers, diversifying our customer base and increasing penetration and wallet share with existing customers by entering new segments.
- (4) Reduce our operating costs, improve operational efficiencies and deploy new technologies
- (5) Expanding our global business footprint
- (6) Driving sustainable performance through environmental, social and governance (ESG) practices

For further details, see “**Our Business**” beginning on page 186 of the Draft Red Herring Prospectus.

## **2. Summary of the Industry (Source: CARE Report)**

The global automotive forging market stood at USD 45.1 billion in 2025 and is expected to reach USD 65.8 billion by 2030, growing at a CAGR of 7-9%. In India, the automotive forging industry is closely tied to the country’s large two-wheeler, passenger vehicle and commercial vehicle markets. India is among the world’s largest forging hubs, supported by cost competitiveness, a strong base of forging clusters (notably in Maharashtra, Tamil Nadu and Punjab) and established linkages with both domestic OEMs and global supply chains. The Indian automotive forging market was valued at USD 2.6 billion in FY25 and is projected to reach USD 4.1 billion by FY30, at a CAGR of 6-8%.

The global automotive machining market is primarily driven by machining centres, holding a dominant share of 38.8% in 2025, with a slight uptick to 38.9% by 2030. The automotive machining segment in India, a major sub-segment of the broader machining space, has grown from USD 3.4 billion in FY20 to USD 4.4 billion in FY25, at a CAGR of approximately 5.29%. With growing vehicle production, increased localisation of powertrain and drivetrain components and strong growth in EV and hybrid platforms, the market is expected to expand at a faster clip projected to reach USD 6.1 billion by FY30, at a CAGR of 6–8%.

For further details, see “**Industry Overview**” beginning on page 129.

## **3. Promoters**

The Promoters of our Company are Gopal Krishan Kothari and Amit Kothari.

### ***Gopal Krishan Kothari***

Gopal Krishan Kothari is one of our Promoters and is also the Chairman and Managing Director of our Company. He holds a bachelor’s degree in commerce from the University of Rajasthan. He has over 40 years of experience in the automotive sector with our Company.

### ***Amit Kothari***

Amit Kothari is one of the Promoters and is also the Executive Director of our Company. He holds a postgraduate diploma in business administration with commendation from University of Wales, Cardiff. He has over 29 years of experience in the automotive sector with our Company.

For further details, see “**Promoters and Promoter Group**” beginning on page 240.

## **4. Objects of the Offer**

The Offer comprises a Fresh Issue of [●] Equity Shares of face value of ₹ 5 each, aggregating up to ₹ 3,000.00 million by our Company, and an Offer for Sale of up to [●] Equity Shares of face value of ₹ 5 each aggregating up to ₹ 600.00 million by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale, and such proceeds will be received by the selling shareholders after deduction of their respective portion of the Offer-related expenses and the relevant taxes thereon.

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

(₹ in million)

Particulars	Amount proposed to be funded from the Net Proceeds <sup>(1)</sup>
Funding the capital expenditure requirements of our Company towards:	1,188.03
(a) Setting up of the Proposed Forging Facility	
(b) Setting up of the Proposed Machining Facility	
(c) Setting up of the Proposed Solar Plant	
Repayment/ pre-payment, in full or in part, of certain borrowings availed by our Company	905.11
General corporate purposes <sup>(2)</sup>	●
<b>Net Proceeds</b>	●

<sup>(1)</sup> Our Company, in consultation with the BRLM, may consider an issue of specified securities, as may be permitted under the applicable law, aggregating up to ₹400.00 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC ("Pre-IPO Placement"). The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLM. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the equity shares on the Stock Exchanges. Our Company shall report any Pre-IPO Placement to the Stock Exchanges, within 24 hours of such Pre-IPO Placement (in part or in entirety) and as may be required under applicable law. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

<sup>(2)</sup> To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

For further details, see "Objects of the Offer" on page 91.

## 5. Pre-Offer and Post-Offer shareholding of our Promoters, members of the Promoter Group and top 10 Shareholders

The aggregate shareholding of each of the Promoters, members of our Promoter Group and top 10 Shareholders (other than our Promoters and members of our Promoter Group) is set out below:

S. No.	Pre-Offer shareholding at the date of the Draft Red Herring Prospectus			Post-Offer shareholding as at Allotment <sup>(1)^</sup>			
				At the lower end of the price band (₹[●]) <sup>§</sup>		At the upper end of the price band (₹[●]) <sup>§</sup>	
	Name of the Shareholders	Number of Equity Shares of face value of ₹ 5 each	Percentage of shareholding (%)	Number of Equity Shares of face value of ₹ 5 each	Percentage of shareholding (%)	Number of Equity Shares of face value of ₹ 5 each	Percentage of shareholding (%)
<b>Promoters</b>							
1.	Gopal Krishan Kothari*	40,011,520	87.03	●	●	●	●
2.	Amit Kothari*	2,568,960	5.59	●	●	●	●
<b>Sub-Total (A)</b>		<b>42,580,480</b>	<b>92.62</b>	●	●	●	●
<b>Members of our Promoter Group</b>							
1.	Madhu Kothari*	2,210,560	4.81	●	●	●	●
2.	G K Kothari & Sons*	1,056,000	2.30	●	●	●	●
3.	Amit Kothari HUF	64,000	0.14	●	●	●	●
4.	Mannat Kothari	320	Negligible	●	●	●	●
<b>Sub-Total (B)</b>		<b>3,330,880</b>	<b>7.25</b>	●	●	●	●
<b>Additional Top 10 Shareholders</b>							
1.	Naveen Behl	64,000	0.14	●	●	●	●
<b>Sub-Total (C)</b>		<b>64,000</b>	<b>0.14</b>	●	●	●	●
<b>Other Public Shareholders</b>							
1.	Nil	Nil	Nil	●	●	●	●
<b>Sub-Total (D)</b>		<b>Nil</b>	<b>Nil</b>	●	●	●	●
<b>Total (A+B+C+D)</b>		<b>45,975,360</b>	<b>100.00</b>	●	●	●	●

<sup>§</sup> To be filled in at the Prospectus stage, upon finalisation of Price Band

<sup>^</sup> The post-Offer shareholding shall be updated in the Abridged Prospectus and Prospectus.

<sup>\*</sup> Also, a Selling Shareholder

<sup>(1)</sup> 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. Further, assuming that there is

no transfer of Equity Shares by the Shareholders between the date of the Price Band advertisement and Allotment, and if any such transfers occur prior to the date of Prospectus, it will be updated in the shareholding pattern in the Prospectus.

For further details, see “**Capital Structure**” beginning on page 77.

## 6. Summary of Restated Financial Information

The following details are derived from the Restated Financial Information:

(in ₹ million, unless otherwise stated)

Particulars	As at and for six month period ended September 30, 2025	As at and for Financial Year ended March 31, 2025	As at and for Financial Year ended March 31, 2024	As at and for Financial Year ended March 31, 2023
Equity share capital	229.88	14.37	14.37	14.37
Net worth <sup>(1)</sup>	1,842.20	1,628.71	1,341.72	1,104.44
Revenue from operations <sup>(2)</sup>	4,660.63	7,504.64	6,723.16	6,026.92
EBITDA <sup>(3)</sup>	445.61	714.97	647.10	500.85
Profit after tax <sup>(4)</sup>	213.57	290.15	241.26	138.13
Return on Equity (%) <sup>(5)</sup>	11.59*	17.81	17.98	12.51
Basic Earnings per Equity Share <sup>(6)</sup>	4.65	6.31	5.25	3.00
Diluted earnings per Equity Share (in ₹) <sup>(7)</sup>	4.65	6.31	5.25	3.00
Net Asset Value per Equity Share (in ₹) <sup>(8)</sup>	40.07	35.43	29.18	24.02
Total borrowings <sup>(9)</sup>	838.05	1,018.83	1,113.72	1,423.15
Net cash generated from operating activities	179.60	586.58	528.72	780.53
Net cash generated from / (used in) investing activities	115.83	478.64	224.61	676.58
Net cash generated from / (used in) financing activities	46.98	280.73	247.31	59.94

\*Not annualized

Notes:

- (1) Net Worth means the aggregate value of the paid-up share capital and all reserves created out of profits and securities premium account and debit or credit balance of profit and loss account after deducting the aggregate value of the accumulating losses, deferred expenditure and miscellaneous expenditure not written off but does not include reserve created out of revaluation of assets, write back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.
- (2) Revenue from Operations means the revenue from operations for the period / year.
- (3) EBITDA is calculated as profit for the year/ period minus other income plus finance costs, depreciation and amortisation and total income tax expenses.
- (4) Profit after Tax means the profit after tax for the year/ period.
- (5) Return on Equity is calculated as restated profit for the period / year divided by average total equity.
- (6) Basic earnings per share is calculated by dividing the Restated Profit for the year by the number of Equity Shares outstanding at the year-end.
- (7) Diluted earnings per share is calculated by dividing the Restated Profit for the year by the number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares outstanding during the year, if any.
- (8) Net Asset value per equity share is defined as net worth divided by outstanding number of equity shares.
- (9) Total borrowings include non current borrowings and current borrowings as per restated statement of assets and liabilities.

For further details, see “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**”, “**Basis for Offer Price**” and “**Restated Financial Information**” beginning on pages 328, 112 and 246, respectively.

## 7. Summary of Key Performance Indicators

Details of our KPIs as at and for the six month period ended September 30, 2025 and for the Fiscals ended March 31, 2025, March 31, 2024 and March 31, 2023 are set out below:

Particulars	Unit	September 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
<b>Financial KPIs*</b>					
Revenue from operations <sup>(1)</sup>	₹ in million	4,660.63	7,504.64	6,723.16	6,026.92
Gross profit <sup>(2)</sup>	₹ in million	2,135.92	3,540.31	3,075.25	2,549.16
Gross margin <sup>(3)</sup>	%	45.83	47.18	45.74	42.30
EBITDA <sup>(4)</sup>	₹ in million	445.61	714.97	647.10	500.85
EBITDA margin <sup>(5)</sup>	%	9.56	9.53	9.62	8.31
PAT <sup>(6)</sup>	₹ in million	213.57	290.15	241.26	138.13
PAT margin <sup>(7)</sup>	%	4.58	3.87	3.59	2.29
ROE <sup>(8)</sup>	%	11.59**	17.81	17.98	12.51
ROCE <sup>(9)</sup>	%	12.67**	18.98	17.80	12.23

Particulars	Unit	September 30, 2025	Fiscal 2025	Fiscal 2024	Fiscal 2023
Debt/Total Equity <sup>(10)</sup>	In times	0.45	0.63	0.83	1.29
Inventory Days <sup>(11)</sup>	In days	73	89	82	75
Trade Receivable Days <sup>(12)</sup>	In days	25	24	24	29
Trade Payable Days <sup>(13)</sup>	In days	49	55	51	48
Cash Conversion Cycle Days <sup>(14)</sup>	In days	50	59	56	56
Average Net Fixed Asset Turnover Ratio <sup>(15)</sup>	In times	2.60	4.41	4.71	4.88
<b>Operational KPIs*</b>					
Installed Capacity (MTPA) <sup>(16)</sup>	In numbers	21,050	40,100	40,100	36,900
Revenue from Automotive Industry <sup>(17)</sup>	₹ in million	4,371.80	7,017.97	6,320.82	5,662.22
Percentage of revenue from Automotive Industry <sup>(18)</sup>	%	98.66	98.91	99.54	99.84
Revenue from Non-Automotive Industry <sup>(19)</sup>	₹ in million	59.38	77.14	29.35	9.22
Percentage of revenue from Non-Automotive Industry <sup>(20)</sup>	%	1.34	1.09	0.46	0.16
Domestic Revenue <sup>(21)</sup>	₹ in million	3,994.99	6,711.50	5,879.49	5,320.89
Percentage of revenues from domestic sales <sup>(22)</sup>	%	90.16	94.59	92.59	93.82
Export Revenue <sup>(23)</sup>	₹ in million	436.19	383.60	470.69	350.56
Percentage of revenue from exports <sup>(24)</sup>	%	9.84	5.41	7.41	6.18

\*Certified by Goyal Sanjay & Associates, Chartered Accountants, having firm registration number 010083N, by way of their certificate dated March 30, 2026.

\*\*Not annualized

For definitions of the above KPIs, see “**Definitions and Abbreviations – Definitions of Key Performance Indicators**” on page 10. Further, for comparison with the listed peer(s) and more detailed disclosure on such KPIs, see “**Basis for Offer Price - Comparison of our KPIs with listed industry peers**” on page 114.

## 8. Risk Factors

The following are the top 10 internal risk factors as disclosed in the DRHP:

- (1) Our business is dependent on certain key customers, with our top 10 customers contributing 91.51%, 90.00%, 88.82% and 89.32% of our revenue from operations for the six month period ended September 30, 2025, and in Fiscals 2025, 2024 and 2023, respectively. The loss of, or a significant reduction in orders from, any of these customers could materially and adversely affect our business, financial condition, results of operations and cash flows.
- (2) We do not have any long-term agreements with our customers to purchase or place orders with us. If our customers choose not to source their requirements from us or reduce purchase volumes, there may be a material adverse effect on our business, results of operations, financial condition and cash flows.
- (3) A significant portion of our raw material procurement is carried out without long-term binding agreements, which exposes us to uncertainties regarding continuous supply and timely delivery. Any interruption in the availability of raw materials or any disruption, breakdown or shutdown of our suppliers or any instability of our supplier base could adversely impact our operations.
- (4) Our business is heavily dependent on the performance of the automotive sector, which contributed 93.80%, 93.52%, 94.02% and 93.95% of our revenue from operations in the six month period ended September 30, 2025, and Fiscals 2025, 2024 and 2023, respectively. Any cyclical downturn or regulatory shift in this industry could disproportionately impact our sales volume.
- (5) Our inability to improve operational efficiency, reduce costs, or effectively pass on increases in raw material prices to our customers could adversely affect our business, financial condition, and results of operations.
- (6) Our manufacturing operations are geographically concentrated in two regions, Ludhiana (Punjab) and Hosur (Tamil Nadu). Any region-specific disruptions, including social unrest, political instability, or natural disasters in these two regions, could critically interrupt our entire production cycle.
- (7) Our business performance and profitability rely heavily on the availability and cost of steel, our primary raw material. The cost of raw materials and components consumed by us represented 52.61%, 53.68%, 56.44% and 58.24% of our total revenue from operations during the six month period ended September 30, 2025, and in Fiscals 2025, 2024 and 2023, respectively. Any volatility in steel prices, shortages arising from external factors, or

disruptions in the timely and sufficient supply of raw materials could adversely affect our operations. Such developments may negatively impact our revenues, margins, financial condition and cash flows.

- (8) We are dependent on our OEM customers for a significant portion of revenues from sale of products for the six month period ended September 30, 2025, and in Fiscals 2025, 2024 and 2023. If one or more such customers choose not to source their requirements from us or terminate their purchase orders, our business, financial condition, results of operations and cash flows may be adversely affected.
- (9) Our business is capital intensive and we have incurred significant capital expenditure in the past and may require additional capital and financing in the future. If we are unable to generate adequate returns on our capital expenditure, or if our expanded capacities are under-utilized or if we are unable to obtain the required additional capital and financing, our business, growth prospects, results of operations, financial condition and cash flows could be materially and adversely affected.
- (10) We derive a substantial portion of our revenue from the sale of crankshafts and crankshaft assemblies, and any loss of sales due to a reduction in demand for crankshafts, particularly due to the shift towards EVs, could structurally impact our long-term revenue growth.

For further details of the risks applicable to us, see “**Risk Factors**” beginning on page 20. Investors are advised to read the risk factors carefully before making an investment decision in the Offer.

## 9. Details of weighted average cost of acquisition of equity shares of our Promoters and Selling Shareholders

Details of the weighted average price at which equity shares were acquired by our Promoters and Selling Shareholders in the one year and three years preceding the date of this Draft Red Herring Prospectus:

Name of the Shareholder	Number of Equity Shares acquired in the one year preceding the date hereof	Weighted average price of acquisition per equity share (in ₹) <sup>(1)</sup>	Number of Equity Shares acquired in the three year preceding the date hereof	Weighted average price of acquisition per equity share (in ₹) <sup>(1)</sup>
<b>Promoters</b>				
Gopal Krishan Kothari <sup>(2)</sup>	37,650,800	Nil	37,650,800	Nil
Amit Kothari <sup>(2)</sup>	2,408,400	Nil	2,408,400	Nil
<b>Selling Shareholders</b>				
Madhu Kothari	2,074,300	Nil	2,074,300	Nil
G K Kothari & Sons	990,000	Nil	990,000	Nil

<sup>(1)</sup> As certified by M/s. Goyal Sanjay & Associates, Chartered Accountants, having firm registration number 010083N, by way of their certificate dated March 30, 2026.

<sup>(2)</sup> Also the Promoter Selling Shareholders.

For details of shareholding of our Promoters, see “**Capital Structure – Details of build-up, contribution and lock-in of Promoters’ shareholding and lock-in of other Equity Shares**” on page 81.

## 10. Board of Directors and Key Managerial Personnel

The names and designations of members of the Board of Directors and Key Managerial Personnel are set forth below:

S. No.	Name	Designation
<b>Board of Directors</b>		
1.	Gopal Krishan Kothari	Chairman and Managing Director
2.	Naveen Behl	Whole-time Director
3.	Amit Kothari	Executive Director
4.	Jatender Kumar Mehta	Independent Director
5.	Pankaj Periwal	Independent Director
6.	Mohina	Independent Director
<b>Key Managerial Personnel*</b>		
1.	Ashok Bansal	Chief Financial Officer
2.	Amit Verma	Company Secretary and Compliance Officer

\*In addition to Gopal Krishan Kothari, our Chairman and Managing Director and Naveen Behl, our Whole-time Director.

For further details, see “**Our Management**” beginning on page 224.

## 11. Auditor Qualifications

There are no qualifications, reservations and adverse remarks by our Statutory Auditors in our Restated Financial information.



## 12. Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoters, Directors, Group Company, Key Managerial Personnel and Senior Management, as applicable, as disclosed in the section titled “**Outstanding Litigation and Material Developments**” on page 356 in terms of the SEBI ICDR Regulations and the Materiality Policy as on the date of the Draft Red Herring Prospectus is provided below:

Category of individuals / entities	Criminal Proceedings	Tax Proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million) <sup>(1)</sup>
<b>Company</b>						
By the Company	1	N.A.	N.A.	N.A.	Nil	2.47
Against the Company	Nil	4	1	N.A.	1	10.87
<b>Promoters</b>						
By the Promoters	Nil	N.A.	N.A.	N.A.	Nil	N.A.
Against the Promoters	1	1	1	Nil	Nil	0.14
<b>Directors<sup>(2)</sup></b>						
By the Directors	Nil	N.A.	N.A.	N.A.	Nil	-
Against the Directors	2	1	Nil	N.A.	Nil	9.78
<b>Key Managerial Personnel and Senior Management<sup>(2)</sup></b>						
By the Key Managerial Personnel and Senior Management	Nil	N.A.	Nil	N.A.	N.A.	Nil
Against the Key Managerial Personnel and Senior Management	1	N.A.	1	N.A.	N.A.	-

(1) To the extent quantifiable.

(2) Other than our Promoters.

For further details of the outstanding litigation proceedings, see “**Outstanding Litigation and Material Developments**” on page 356 and “**Risk Factors – Our Company, Promoter and certain Directors are involved in certain regulatory and criminal proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows**” on page 32.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act and shall not be offered or sold within the United States or any state securities laws in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in ‘offshore transactions’ in reliance on Regulation S under the U.S. Securities Act and applicable laws of the jurisdictions where such offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.