HERO MOTORS LIMITED

Corporate Identity Number: U29299PB1998PLC039602

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

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

DETAILS OF THE OFFER TO THE PUBLIC

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

DETAILS OF THE OFFER FOR SALE

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

#The weighted average cost of acquisition is ₹ 0.027 per Equity Share and has been rounded to ₹ 0.03.

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

RISKS IN RELATION TO THE FIRST OFFER

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

GENERAL RISK

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

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

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

BOOK RUNNING LEAD MANAGERS

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

REGISTRAR TO THE OFFER

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

BID/ OFFER PERIOD

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

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

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

Please scan this QR code to view the Red Herring Prospectus and this Abridged Prospectus	The following is a general summary of certain disclosures in the Red Herring Prospectus dated September 9, 2026 and the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in the 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 Red Herring Prospectus, which is available at the websites of SEBI at www.sebi.gov.in, National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com, respectively, the Company at www.heromotors.com and the BRLMs at: www.icicisecurities.com, www.damcapital.in, www.jmfl.com. References below to page numbers are to page numbers of the Red Herring Prospectus. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the Red Herring Prospectus.

1. **Summary of the primary business**

a. ***Business Overview - Products and Services***

We are a fully integrated powertrain systems provider offering comprehensive solutions including services for designing, prototyping, validating, developing, and delivering system-level and component-level powertrain solutions for both electric as well as non-electric powertrains.

b. ***Industries Served and Typical Customers***

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. We cater to requirements of our global customers such as BMW AG, Ducati Motor Holding S.P.A., Enviolo International Inc, Formula Motorsport Ltd, HUMMINGBIRDEV Inc, HWA AG and leading global electric bicycle manufacturers and other mobility applications such as aerospace.

c. ***Segment Reporting and Revenue Contribution***

Our operations are organized into: (i) Powertrain Solutions; and (ii) Alloys and Metallics ("**A&M**") business segments. The table below sets forth the breakdown of our income from sale of goods across the business units, and as a percentage of our revenue from operations for the last three years:

Segment	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)	Revenue from Operations (₹ million)	Percentage of Revenue from Operations (%)
Powertrain Solutions	6,377.53	53.67%	5,342.47	49.03%	5,202.31	48.88%
A&M	5,505.98	46.33%	5,553.46	50.97%	5,441.55	51.12%
Total	**11,883.51**	**100.00%**	**10,895.93**	**100.00%**	**10,643.86**	**100.00%**

d. Key Geographies

We offer design and validation services, development, manufacturing and supply of engineered systems and components to automotive OEMs and other industries in the United States, Europe, United Kingdom, India, and the ASEAN region.

e. Revenue Concentration Among Top 5 Customers

The following table sets forth revenue from our top five customers for the Fiscals 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 Five Customers	7,298.89	61.42%	6,907.10	63.39%	6,933.56	65.14%

f. Key Facilities

As of March 31, 2026, we operated six manufacturing facilities spread across India, the United Kingdom and Thailand. Of these, four facilities are located in India, with three in Ludhiana, Punjab and one in Gautam Buddha Nagar, Uttar Pradesh. This includes the manufacturing facility for our joint venture with Yamaha Motors Japan, in Ludhiana, Punjab.

g. Business Strengths and Strategies

Business Strengths:

1. Among India's Leading Solutions Provider to Global E-Mobility Industry backed by Diversified Product and Service Offerings;
2. Growing Market Presence in the Electric-Bikes and Premium Two-Wheelers Segments;
3. Longstanding Relationships with Premier Global Original Equipment Manufacturers and Expertise in Delivering Solutions;
4. Advanced Infrastructure with Geographically Diverse Operations;
5. Strong Research and Development Capabilities and Long-Term Partnerships; and
6. Legacy of Diverse Growth, Experienced Management Team and Strong Corporate Governance.

Business Strategies:

1. Focus on Providing Complete Systems and Powertrain Solutions for E-Mobility Segment;
2. Expand into Other Market Segments and Geographies;
3. Leverage Hewland's Expertise for Design-to-Cost Product and Service Solutions;
4. Focus on Strengthening Partnerships with Global Players for Technology;
5. Pursue Inorganic Growth Opportunities

For further information, see **"*Our Business*"** on page 253 of the Red Herring Prospectus.

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

The mobility industry is experiencing a transformative shift across the globe due to the increasing electrification of vehicles, significantly impacting powertrain solutions such as motors, gearbox/transmission systems, and integrated e-drive units. EV penetration in the motorcycle segment is projected to increase from 2.0% in 2025 to 10.5% to 12.5% in 2031 at a CAGR of 34% to 38% supported by improving battery technology, expanding charging infrastructure, and growing government support for electric mobility. The global e-bike market is expected to be the primary growth driver within the bicycle industry from 2024 to 2031, with sales volumes projected to increase from 8.24 million units in 2024 to 12.5 to 14.5 million units by 2031, reflecting a CAGR of 6% to 9% driven by increasing consumer preference for sustainable and convenient mobility solutions. The global passenger vehicle powertrain mix is expected to undergo a significant transformation through 2031, driven by accelerating electrification and declining dependence on conventional ICE vehicles. Battery electric vehicles ("BEVs") are expected to emerge as the fastest-growing powertrain segment, registering a CAGR of 18% to 20%, with volumes increasing from 3.36 million units in 2024 to 11.5 to 12.5 million units by 2031. Share of automatic transmission vehicles in domestic PV sales has increased from 22% to 27% in Fiscal 2021 to approximately 35% to 40% in Fiscal 2026. This surge is attributed to worsening traffic conditions, increasing affordability, growing consumer preference for comfort and availability of semi-automatic transmission at affordable price points.

For further information, see ***"Industry Overview"*** on page 148 of the Red Herring Prospectus.

3. Promoters

As on the date of the Red Herring Prospectus, the Promoters of our Company are Pankaj Munjal, Charu Munjal, Abhishek Munjal, and OP Munjal Holdings*

**O.P. Munjal Holdings has two partners, Pankaj Munjal and Charu Munjal who share profits and losses in the ratio of 80% and 20%, respectively.*

Pankaj Munjal

Pankaj Munjal is one of the Promoters of our Company. He is the Chairman, Non- Executive and Non- Independent Director of our Company. He holds a bachelor's degree in science from Panjab University and has completed the executive program in strategic marketing management from Harvard Business School, U.S.A. He has been associated with our Company as a Director since 1998 and was previously associated with Munjal Showa Limited. He has over 45 years of experience. Currently he's also a director in, among others, Hero Cycles Limited, Munjal Kiriu Industries Private Limited and ZF Hero Chassis Systems Private Limited.

Abhishek Munjal

Abhishek Munjal is one of the Promoters of our Company. He is a Whole- time Director of our Company. He holds a bachelor's degree in arts, communication and culture, from the College of Arts and Sciences, Indiana University, USA. He has been associated with our Company as a Director since 2020. He has over nine years of experience. Currently, he is also a director in, among others, ZF Hero Chassis Systems Private Limited, Firefox Bikes Private Limited and Hero Cycles Limited.

Charu Munjal

Charu Munjal is one of the Promoters of our Company. She holds a bachelor of arts (honours course) in Sociology from the University of Delhi. She is experienced in luxury and lifestyle businesses and has held directorships in OMA Private Limited, Auma F&B Concepts Private Limited, Bhagyoday Investments Private Limited, Hero Global Design Private Limited.

O P Munjal Holdings

O P Munjal Holdings is a partnership firm registered with the Registrar of Firms & Societies, Punjab on March 11, 2011 under the Partnership Act, 1932, constituted through a partnership deed dated April 24, 2010 and reconstituted pursuant to supplementary partnership deeds dated May 15, 2010, February 24, 2015 (effective from February 21, 2015) and March 14, 2016 (effective from August 14, 2015), with its principal place of business at Hero Nagar G.T.

Road, Ludhiana, Punjab, 141003.

For further information, see "***Our Promoters and Promoter Group***" and **"*Our Management—Brief Biographies of Directors*"** on pages 336 and 317, respectively of the Red Herring Prospectus.

4. Objects of the Offer

The Offer comprises the issue of [●] equity shares of face value ₹10, aggregating up to ₹6,000.00 million and an offer for sale of Equity Shares of face value of ₹10 each aggregating up to ₹ 4,000.00 million by our Company. The Net Proceeds of the fresh issue of the component of the Offer, i.e., gross proceeds of the Offer less our Company's share of the Offer related expenses are proposed to be utilized in the following manner:

Particulars	**Estimated Amount** *(₹ million)*
Repayment/prepayment/redemption in full or in part, of certain outstanding borrowings availed by our Company;	1,900.00
Capital expenditure of our Company through purchase of equipment required for expansion in capacity of our Gautam Buddha Nagar, Uttar Pradesh facility	2,000.00
Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes(1)(2)	[●]
Net Proceeds(2)	[●]

(1) The cumulative amount to be utilized towards inorganic growth through unidentified acquisition and other strategic initiatives and general corporate purposes shall not exceed 35% of the Gross Proceeds from the Fresh Issue. The amount to be utilized for general corporate purposes shall not exceed 25% of gross proceeds from the Fresh Issue. Further, the amount utilized for the object of funding inorganic growth through unidentified acquisitions and other strategic initiatives shall not exceed 25% of the Gross Proceeds from the Fresh Issue
(2) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

For further information, see "***Objects of the Offer***" on page 114 of the Red Herring Prospectus.

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

As on the date of the Red Herring Prospectus, the aggregate shareholding of our Promoters, members of the Promoter Group and other public shareholders is set forth below:

S. No.	**Pre-Offer shareholding at the date of the Red Herring Prospectus**			**Post-Offer shareholding as at the date of Allotment****			
				At the lower end of the price band (₹[●])		**At the upper end of the price band (₹[●])**	
	Name of the shareholder	**Number of Equity Shares on a fully diluted basis&**	**Shareholding on a fully diluted basis (in %)&**	**Number of Equity Shares***	**Shareholding (in %)***	**Number of Equity Shares***	**Shareholding (in %)***
Promoter							
1.	O P Munjal Holdings^	273,123,055	70.60%	[●]	[●]	[●]	[●]
2.	Pankaj Munjal	9,400,436	2.43%	[●]	[●]	[●]	[●]
3.	Charu Munjal	942,425	0.24%	[●]	[●]	[●]	[●]
4.	Abhishek Munjal	706,210	0.18%	[●]	[●]	[●]	[●]
Promoter Group							
1.	Hero Cycles Limited	7,752,750	2.00%	[●]	[●]	[●]	[●]
2.	Aditya Munjal	707,022	0.18%	[●]	[●]	[●]	[●]

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&	Shareholding on a fully diluted basis (in %)&	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares*	Shareholding (in %)*	Number of Equity Shares*	Shareholding (in %)*
3.	Bhagyoday Investments Private Limited	23,978,804	6.20%	[●]	[●]	[●]	[●]
4.	Pankaj Munjal (on behalf of Munjal Sales Corporation)	392,344	0.10%	[●]	[●]	[●]	[●]
5.	Pankaj Munjal (on behalf of Om Prakash Pankaj Munjal AOP^^)	10,537,140	2.72%	[●]	[●]	[●]	[●]
Additional top 10 Shareholders#							
1.	South Asia Growth Invest LLC	46,855,307	12.11%	[●]	[●]	[●]	[●]
2.	Amit Gupta	5,584,167	1.44%	[●]	[●]	[●]	[●]
3.	Keshav Misra	1,000,000	0.26%	[●]	[●]	[●]	[●]
4.	Shri Parasram Commodities Pvt. Ltd.	203,222	0.05%	[●]	[●]	[●]	[●]
5.	Madhu Dalmia	160,000	0.04%	[●]	[●]	[●]	[●]
6.	South Asia EBT Trust^^^	150,768	0.04%				
7.	Vinay Bansal	115,000	0.03%	[●]	[●]	[●]	[●]
8.	Vimal Kumar Bansal	115,000	0.03%	[●]	[●]	[●]	[●]
9.	Shyam Sundar Bansal	110,000	0.03%	[●]	[●]	[●]	[●]
10.	Vansh Garg	100,000	0.03%	[●]	[●]	[●]	[●]
Other public Shareholders							
11.	-@	853,355	0.22%	[●]	[●]	[●]	[●]
	Total	**382,787,005**	**98.95%**	[●]	[●]	[●]	[●]

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

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

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

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

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

To be updated in the Prospectus.

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

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

For further details, see "***Capital Structure***" on page 84 of the Red Herring Prospectus.

6. Summary of Restated Consolidated Financial Information

The following details of selected financial information are derived from the Restated Consolidated Financial Information as at and for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024:

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Financial Year ended March 31, 2026	As at and for the Financial Year ended March 31, 2025	As at and for the Financial Year ended March 31, 2024
Equity share capital	3,583.36	3,573.84	3,535.78
Net Worth(1)	4,824.48	4,239.51	3,854.44
Revenue from operations	11,883.51	10,895.93	10,643.86
EBIDTA(3)	1,477.82	1,140.04	862.76
Profit for the year after tax (2)	411.68	327.96	170.35
Basic EPS (in ₹)	1.15	0.67	0.36
Diluted EPS (in ₹)	1.14	0.66	0.35
Return on Net Worth (in %)	8.53%	7.74%	4.42%
Net asset value ("**NAV**") per equity share (in ₹)	12.72	11.21	10.29
Total borrowings	4,007.89	4,076.22	3,039.98
Net cash flow generated from operating activities	1,440.42	483.43	1,319.66
Net cash flow used in investing activities	(693.86)	(1,352.31)	(769.27)
Net cash flow from financing activities	(617.98)	536.91	(203.63)

1. *Net worth means value of the paid-up share capital and all reserves created out of the profits, securities premium account, compulsory convertible cumulative preference shares, share application money pending allotment, demerger adjustment deficit account, shares options outstanding and debit or credit balance of profit and loss account as per the audited balance sheet, but does not include foreign currency translation reserve, capital reserve(including non controlling interest reserve).*
2. *The restated profit for the year is including the pre-tax non cash share based payment of ₹ 105.03 million, ₹148.17 million and ₹ 394.62 million in Fiscal 2026, 2025 and 2024, respectively.*
3. *EBITDA is calculated as restated profit after tax for the period /year plus finance costs, depreciation and amortization expense plus tax expense.*

For further details, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Basis for Offer Price***" and "***Restated Consolidated Financial Information***" on pages 446, 126 and 347 of the Red Herring Prospectus, respectively.

7. Summary of Key Performance Indicators

Details of our KPIs as of and for the Financial Years ended March 31, 2026, March 31, 2025 and March 31, 2024 are set forth below:

(₹ in million, except as otherwise stated)

Particulars	As of / For the Financial Year ended March 31,		
	2026	2025	2024
Revenue from Operations	11,883.51	10,895.93	10,643.86
Revenue from operations growths (%)	9.06%	2.37%	0.93%
Gross Profit(1)	4,954.63	4,521.62	4,193.70
Gross Margin(2) (%)	41.69%	41.50%	39.40%
EBITDA(3)	1,477.82	1,140.04	862.76
EBITDA Margin(4) (%)	12.44%	10.46%	8.11%
Adjusted EBITDA(15)	1,602.44	1,288.21	1,257.38
Adjusted EBITDA Margin(16)	13.48%	11.82%	11.81%
Restated profit after tax (₹ in million)(14)	411.68	327.96	170.35

Particulars	As of / For the Financial Year ended March 31,		
	2026	2025	2024
PAT Margin(5) (%)	3.46%	3.01%	1.60%
Return on Equity(6) (%)	8.56%	7.70%	4.54%
Return on Capital Employed(7) (%)	19.77%	18.84%	23.23%
Net Debt to Adjusted EBITDA(8) (in times)	2.24	2.79	1.72
Fixed Asset Turnover Ratio(9)	1.83	1.89	2.40
Asset Turnover Ratio(10)	0.87	0.94	1.00
Receivable Days(11)	78	68	67
Inventory Days(12)	64	64	62
Trade payable days(13)	43	46	47

Notes:

(1) *Gross Profit is calculated as revenue from operations minus cost of raw materials consumed minus purchases of stock-in-trade minus changes in inventories of finished goods, work in progress, stock in trade.*

(2) *Gross Margin is calculated as Gross Profit divided by revenue from operations.*

(3) *EBITDA is calculated as restated profit after tax for the year plus finance costs, depreciation and amortization expense plus tax expense.*

(4) *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*

(5) *PAT Margin is calculated as restated profit for the year divided by revenue from operations.*

(6) *Return on Equity is calculated as restated profit for the year divided by total equity.*

(7) *Return on capital employed is calculated as Adjusted EBITDA divided by average capital employed. Capital employed is calculated as equity share capital plus other equity plus non-controlling interest plus long-term borrowings plus short-term borrowings less cash and cash balances less Current investments which includes include investments in mutual funds measured at fair value through profit or loss and investments in debentures measured at fair value through profit or loss. Average capital employed is calculated as opening capital employed plus closing capital employed divided by 2. For Fiscal 2022, the opening capital employed and closing capital employed are considered as fiscal 2021 restated consolidated financial information is not prepared.*

(8) *Net Debt to Adjusted EBITDA is calculated as net debt divided by Adjusted EBITDA. Net debt is calculated as Non-current borrowing plus current borrowing less cash and bank balances*

(9) *Fixed Asset Turnover Ratio is calculated as revenue from operation divided by property plant and equipment plus other intangible assets plus capital work in progress plus intangible assets under development.*

(10) *Asset Turnover Ratio is calculated as total revenue from operations divided by total assets.*

(11) *Receivable Days is trade receivables at the end of the period/ revenue from operations * 365.*

(12) *Inventory Days is inventory as at the end of the period / revenue from operations * 365.*

(13) *Trade Payable days is Trade payables at the end of the period / revenue from operations * 365.*

(14) *Adjusted EBITDA is calculated as restated profit after tax for the year plus finance costs, depreciation and amortization expense plus tax expense plus non cash share based payments including exceptional item.*

(15) *Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue from operations*

(16) *The restated profit for the year is including the pre-tax non cash share based payment of ₹105.03 million in Fiscal 2026, ₹148.17 million in Fiscal 2025 and ₹394.62 million in Fiscal 2024 and exceptional income of ₹19.59 million in Fiscal 2026.*

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)	Amount (₹ million)	Percentage of Revenue from operations (%)
Revenue from operations from international customers	4,915.27	41.36%	4,461.02	40.94%	4,394.01	41.28%
Revenue from operations from Domestic Customers	6,968.24	58.64%	6,434.91	59.06%	6249.85	58.72%

Revenue from Powertrain segment	6,377.53	53.67%	5,342.47	49.03%	5,202.31	48.88%
Revenue from Alloy & Mettalics segment	5,505.98	46.33%	5,553.46	50.97%	5,441.55	51.12%
Research and Development Expense	895.91	7.54%	772.68	7.09%	793.13	7.45%

For definitions of the above KPIs, see "***Definitions and Abbreviations – Key Performance Indicators***" on page 9 of the Red Herring Prospectus.

8. **Risk Factors**

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

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

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

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

5. Our business largely depends upon our top 10 customers. In Fiscals 2026, 2025 and 2024 our revenue from operations from top 10 customers was ₹ 8661.40 million, ₹ 8,501.96 million and ₹ 8,191.86 million, representing 72.89%, 78.03% and 76.96% of our revenue from operations, respectively. The loss of any of these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

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

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

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

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

For further details of the risks applicable to us, see "***Risk Factors***" on page 21 of the Red Herring Prospectus. 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 Shareholder

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

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

^ *Also a Promoter Selling Shareholder.*

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

\+ *Also a member of Promoter Group*

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

The weighted average cost is ₹ 0.027 per Equity Share and has been rounded to ₹ 0.03.

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 Red Herring Prospectus by the Promoters, Promoter Group, Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights:

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

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

^ *To be updated in the Prospectus following finalisation of Cap Price, as per the finalised Price Band.*

For details of shareholding of our Promoters, see "***Capital Structure – Weighted average cost of acquisition of all Equity Shares held by our Promoters and Selling Shareholders as on the date of this Red Herring Prospectus and acquired in the last one year preceding the date of this Red Herring Prospectus***" and "***Capital Structure – Weighted average cost of acquisition of all Equity Shares transacted in the last one year, 18 months and three years preceding the date of this Red Herring Prospectus by the Promoters, Promoter Group, Selling Shareholders and Shareholders entitled with the right to nominate directors or other rights***" on page 106 of the Red Herring Prospectus.

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
Board of Directors		
1.	Pankaj Munjal	Chairman, Non-Executive and Non-Independent Director
2.	Abhishek Munjal*	Whole-time Director
3.	Amit Gupta*	Managing Director and CEO
4.	Keshav Misra	Non-Executive and Non- Independent Director
5.	Kulbir Singh	Non-Executive and Independent Director
6.	Pratibha Goyal	Non-Executive and Independent Director
7.	Sridhar Narayan#	Non-Executive Nominee Director
8.	Andrew Charles Palmer	Non-Executive and Independent Director
9.	Ashok Kumar Taneja	Non-Executive and Independent Director
10.	Jyoti Arora	Non-Executive and Independent Director
Key Managerial Personnel		
1.	Utkarsh Sanghi	Chief Financial Officer
2.	Sakshi Dureja	Company Secretary and Compliance Officer

* *Also a Key Managerial Personnel.*
 # Nominee of South Asia Growth Invest LLC and South Asia EBT Trust.

For further details, see "***Our Management***" on page 315 of the Red Herring Prospectus.

11. Auditor Qualifications

There are no qualifications of the Statutory Auditor which have not been given effect to in the Restated Consolidated Financial Information.

12. Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Directors, Promoters and Key Managerial Personnel and Senior Management as on the date of the Red Herring Prospectus in terms of the SEBI ICDR Regulations is provided below:

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

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

\# *Includes matters against our Promoter, Pankaj Munjal*

* *To the extent quantifiable*

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

For further details of the outstanding litigation proceedings, see "***Outstanding Litigation and Other Material Developments***" on page 479 of the Red Herring Prospectus.

The Equity Shares offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.