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

BHAGYA MACHINE TOOLS LIMITED
(Formerly known as Bhagya Steels Limited)
CIN:U27320PB2021PLC054838

Registered Office	Corporate Office	Contact Person	Telephone and Email	Website
VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206	306, 3rd Floor, SCO 14, Skyland Private Limited Tower, Feroze Gandhi Market Ludhiana 141001 PB	Mr. Tirlok Mohan Company Secretary and Compliance Officer	Tel: +91 90922-00302 Email: secretarial@bhagyamachinetools.com	https://bhagyamachinetools.com/

PROMOTERS OF OUR COMPANY

(I) Jagdev Singh (II) Jasdil Singh

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE	OFFER FOR SALE	TOTAL ISSUE*	ELIGIBILITY & SHARE ALLOCATION
Fresh Issue	Up to 20,80,000 Equity Shares aggregating up to ₹ [●] Lakhs	-	Up to ₹ [●] Lakhs	This issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. For details in relation to share reservation among QIBs, Non-Institutional Bidders and Individual Bidders, see "***The Issue***" beginning on page 43 of the Draft Red Herring Prospectus.

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION - NA

RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹ 10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in ***"Basis for Issue Price"*** on page 90 or in case where, Price Band is not disclosed otherwise, will be advertised in all editions of a widely circulated English national daily newspaper, all editions of a widely circulated Hindi national daily newspaper and regional Punjabi newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the "***Risk Factors***" beginning on page 22 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

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

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Name	Contact Persons	Email & Telephone No.
SKI INVESTMENT BANKING **SKI CAPITAL SERVICES LIMITED**	Mr. Manick Wadhwa/ Mr. Shreias Jetly	Email: bmtlipo@skicapital.net Tel. No.: +91-011-41189899

REGISTRAR TO THE ISSUE

Name	Contact Person	Email & Telephone No.
Bigshare Services Pvt. Ltd. **BIGSHARE SERVICES PRIVATE LIMITED**	Mr. Asif Sayed	Email: ipo@bigshareonline.com Tel No: +91 22 6263 8200

ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE: [●]	ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date. Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.

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

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

The following is a general summary of certain disclosures in the Draft Red Herring Prospectus and the terms of the Issue 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 detailed information appearing in the Draft Red Herring Prospectus, which is available at the website of BSE Limited at www.bseindia.com, respectively, the Company at www.bhagyamachinetools.com and the BRLM at https://www.skicapital.net/ References below to page numbers are to page numbers of the Draft Red Herring Prospectus dated September 10, 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.

DETAILS OF OTHER INTERMEDIARIES AND GENERAL INFORMATION	
Names of Syndicate Members	[●]
Name of Market Maker and contact details (telephone and email id) - in case of issues by Small and Medium Enterprises under Chapter IX	[●]
Name of Statutory Auditor	Manoj K Goel & Associates, Chartered Accountants, Office No. 2, Building O B-15/575/1, Overlock Road, Miller Ganj, Ludhiana, Punjab - 141003 (Firm Registration No. 014585N)
Name of Credit Rating Agency and the rating or grading obtained, if any	Not applicable - no credit rating or grading has been obtained for this Issue
Name of Debenture Trustee, if any	Not applicable - no debentures are being issued
Self-Certified Syndicate Banks	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Non-Syndicate Registered Brokers	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10, https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

SUMMARY OF THE PRIMARY BUSINESS

Bhagya Machine Tools Limited is engaged in the manufacture and sale of machine tools, primarily power press machines, along with their spare parts and components used for the production, maintenance, repair and replacement of such machines. The Company also manufactures cast and machined parts through its foundry and machining processes. In addition, the Company undertakes refurbishment, restoration and resale of used power press machines. Its products cater to requirements across various sectors, including automotive, electrical equipment, appliances, metal fabrication and general engineering.

The Company's operations are supported by its manufacturing facility located in Ludhiana, which undertakes engineering, foundry operations, fabrication, machining, assembly, refurbishment, testing, painting and dispatch activities. Bhagya Machine Tools Limited primarily operates on a make-to-order model for the manufacture and refurbishment of power press machines, wherein customer orders are executed based on specific requirements through production planning, manufacturing, factory acceptance testing and delivery.

Products / Services Offered by the Company

Our Company manufactures and sells machine tools, primarily power press machines, together with spare parts and components used in the production, maintenance, repair and replacement of such machines. Our portfolio covers C-type and H-type hydraulic and mechanical presses across customisable tonnage ranges, and machinery parts (castings) produced at our foundry.

Segment Reporting and Revenue Contribution

Our Company has identified a single reportable operating segment, being the manufacture of power press machines and their parts.

Revenue Concentration among Top 5 Customers

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Top 1 Customer	1,239.39	18.12%	756.32	11.56%	1,265.90	38.01%
Top 3 Customers	2,336.42	34.17%	2,011.36	30.73%	1,695.06	50.89%
Top 5 Customers	3,094.77	45.26%	3,064.29	46.82%	2,004.24	60.18%

Business Strengths and Strategies

Strengths

1. Direct order-based sales enabling specification alignment and production planning to firm demand.
2. Local sourcing of key inputs (steel, castings and forgings) reducing lead-time and import exposure.
3. Established operations at Ludhiana with process flow from engineering to dispatch under one location.
4. In-house capabilities across design, fabrication, machining, assembly and testing.
5. Portfolio covering C-Type and H-Type hydraulic and mechanical presses across customisable tonnage ranges along with their spare parts and components.

Strategies

1. Completing the shift to in-house casting
2. Adding melting capacity through the proposed Induction Melting Furnace
3. Growing the machinery parts business as a second revenue stream
4. Broadening our customer base and reducing concentration
5. Improving the working capital cycle
6. Strengthening after-sales support and the installed base

For further *details, please refer to the chapter titled **"Our Business"** beginning on page 109 of the Draft Red Herring Prospectus*

SUMMARY OF THE INDUSTRY

Our company is a part of capital goods manufacturing industry which forms the backbone of the country's engineering, construction, infrastructure and consumer-goods sectors. The engineering sector is India's largest industrial sector—accounting for about 27% of all factories and 63% of foreign collaborations—and is the single biggest contributor to the nation's merchandise exports. Capital goods contribute close to 1.9% of GDP, with sector production rising from US$27.2 billion in CY15 to US$50.7 billion in CY24. Heavy engineering and machine tools form a vital part of this base. The industry is fully de-licensed and permits 100% FDI under the automatic route, supported by the National Capital Goods Policy (2016), Production Linked Incentive schemes and a push towards Industry 4.0. Growth is driven by infrastructure development, industrial expansion and rising exports; the machine tools market alone is projected to reach about US$2.5 billion by 2028, growing at a 9.4% CAGR.

PROMOTERS			
S. No	**Name**	**Individual/ Corporate**	**Experience and Educational Qualifications**
1.	Jasdil Singh	Individual	**Jasdil Singh** is the Whole Time Director of the Company and has been associated with the Company since April 29,2022. He holds a B.tech in Mechanical Engineering from J.R.N Rajasthan Vidyapeeth University in 2014. He possesses over a decade of experience. Prior to joining the Company, he worked as an Assistant Engineer at B R Metallics Private Limited, from September 2014, to August 2018, where he gained experience in market strategies combined with management of the Sales function to drive revenue growth, Oversaw the creation and implementation of targeted Product Development and Technology roadmaps to address the evolving needs of specific markets. He then served as a Management Trainee at Micro Engineers from August 2018 to March 2022 to further develop his management and leadership skills.

2.	Jagdev Singh	Individual	**Jagdev Singh** is the Managing Director and is also the Promoter of the company and has been associated with the Company since incorporation. He completed his B.tech in Mechanical Engineering from Punjab University in 1983. He possesses over four decades of experience in the Engineering and capital goods industry. As Managing Director, he is responsible for coordinating operations, managing planning and implementation, and overseeing the expansion and overall management of the company's business. His responsibilities include supervising daily operations, handling public relations, making strategic decisions, and maintaining relationships with clients, stakeholders, and shareholders.

*For details in respect of our Promoters, please refer to the chapter titled "**Our Promoters and Promoter Group**" beginning on page 160 of the Draft Red Herring Prospectus.*

OBJECTS OF THE ISSUE

This Issue includes a fresh issue of up to 20,80,000 Equity Shares of our Company at an Issue Price of ₹ [●] per Equity Share.

Details of means of finance – The total estimated cost of the induction melting furnace project is Rs. 1,304.15 Lakhs excluding GST, of which Rs. 1,300.00 Lakhs is proposed to be funded from the Net Proceeds and the balance from internal accruals.

The fund requirements for the object of the Issue is stated as follows:

Sr. No.	Particulars	Total estimated cost	Amount deployed till August 8, 2026	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds	
1.	Capital Expenditure	1,304.15	Nil	1300.00	600.00	700.00
2.	General Corporate Purposes *	-	-	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]	[●]

**To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 15% of the amount raised by our Company through this Issue or ₹ 10 crores, whichever is less.*

Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

1. Capital Expenditure
2. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

For further details, please refer to the chapter titled "Objects of the Issue" on page 74 of the of the Draft Red Herring Prospectus.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issues, if any, of our Company in the preceding 10 years	Not applicable
Name of monitoring agency, if any	Not applicable

PRE AND POST ISSUE SHAREHOLDING OF PROMOTER(S), MEMBERS OF THE PROMOTER GROUP AND TOP 10 SHAREHOLDERS

The aggregate shareholding, of each of the (i) Promoter(s), (ii) members of the Promoter Group and (iii) top 10 Shareholders (other than the Promoter and Promoter Group) as on the Draft Red Herring Prospectus and as at allotment as per the below mentioned format:

S. No	Pre-Issue shareholding as at the date of Advertisement			Post-Issue shareholding as at Allotment			
	Shareholders	Number of Equity Shares	Share holding (in %)	At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
				Number of Equity Shares	Share holding (in %)	Number of Equity Shares	Share holding (in %)
A. Promoter							
1.	Jagdev Singh	20,74,000	42.76%	[●]	[●]%	[●]	[●]%
2.	Jasdil Singh	21,16,000	43.63%	[●]	[●]%	[●]	[●]%
B. Promoter Group							
1.	Charanjit Kaur	4,000	0.08%	[●]	[●]%	[●]	[●]%
2.	Jaskaran Singh	2,02,000	4.16%	[●]	[●]%	[●]	[●]%
3.	Rupinder Kaur	2,000	0.04%	[●]	[●]%	[●]	[●]%
C. Additional Top 10 Shareholders							
1.	Deepak Kumar	1,80,000	3.71%	[●]	[●]%	[●]	[●]%
2.	Harinderpal Singh Sodhi	1,80,000	3.71%	[●]	[●]%	[●]	[●]%
3.	Ghanisht Nagpal	88,000	1.81%	[●]	[●]%	[●]	[●]%
4.	Reena	2,000	0.04%	[●]	[●]%	[●]	[●]%
5.	Gurmeet Singh	2,000	0.04%	[●]	[●]%	[●]	[●]%

Notes:
1.Includes any transfers of equity shares by existing shareholders after the date of the pre-issue and price band advertisement until date of prospectus.
2.Based on the Issue price of ₹[●] and subject to finalization of the basis of allotment.

Shareholding Pattern

Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre issue
1.	Promoter & Promoter Group	43,98,000	90.68%
2.	Public	4,52,000	9.32%
	Total	**48,50,000**	**100%**

Number / amount of equity shares proposed to be sold by selling shareholders, if any	Not Applicable

*For further information, see "**Capital Structure**" beginning on page 63.*

SUMMARY OF RESTATED FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the financial years ended on March 31, 2026, March 31, 2025 and March 31, 2024:

S. No	Particulars	For the period/ year ended		
		March 31,2026	March 31,2025	March 31,2024
1.	Share capital	485.00	100.00	100.00
2.	Reserves and Surplus	1,541.31	728.31	226.59
3.	Net Worth	2,026.31	828.31	326.59
4.	Revenue	6,838.42	6,544.35	3,330.61
5.	Total income from operations (net)	6,838.44	6,544.42	3,332.18
6.	EBITDA	1,055.80	643.81	267.34
7.	Net Profit / (Loss) before tax and extraordinary items	992.34	605.78	248.95
8.	Profit after tax	821.00	501.72	206.20
9.	Basic Earnings per share	19.64	12.54	5.15

10.	Diluted Earnings per share	19.64	12.54	5.15
11.	Return on Equity / Net Worth	40.52%	60.57%	63.14%
12.	Net Asset Value per equity share	41.78	20.71	8.16
13.	Total borrowings	287.18	619.22	170.28
14.	Cash flow from operating activities	(42.59)	(60.38)	(98.31)
15.	Cash flow from investing activities	(1.44)	(315.85)	(33.53)
16.	Cash flow from financing activities	14.40	429.92	135.99

Summary of Key Performance Indicators

Key Performance Indicator	Bhagya Machine Tools Limited		
	March 31, 2026	March 31, 2025	March 31, 2024
GAAP Financial Measures	-	-	-
Revenue from operations	6,838.42	6,544.35	3,330.61
Year-on-year growth in Revenue from Operations	4.49%	96.49%	-
PAT	821.00	501.72	206.20
PAT Margin (%)	12.01%	7.67%	6.19%
Net Worth	2,026.31	828.31	326.59
Debt	287.18	619.22	170.28
Current Ratio	2.35	1.89	1.35
Debt-Equity Ratio	0.14	0.75	0.52
Non-GAAP Financial Measures			
EBITDA	1,055.80	643.81	267.34
EBITDA Margin (%)	15.44%	9.83%	8.03%
ROE (%)	40.52%	60.57%	63.14%
ROCE (%)	44.21%	43.16%	52.08%
Cash Profit after tax	853.94	520.79	214.76
Operating Cash flow	(42.59)	(60.38)	(98.31)
Operational Measures			
Trade Receivable Days	70	48	66
Trade Payable Days	43	32	64
Inventory Days	84	48	39
Cash Conversion Cycle	111	64	41

Notes:

- *Revenue from operations is the total revenue generated by our Company from the sale of products.*
- *Year-on-year growth in Revenue from Operations is calculated by comparing the revenue of the current year with that of the previous year*
- *PAT is calculated as Profit before tax – Tax Expense's*
- *PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.*
- *Net worth has been computed as sum of share capital and reserves and surplus.*
- *Debt is calculated as the sum of all borrowings of the Company, including both long-term and short-term borrowings.*
- *Current Ratio is calculated as Current Assets divided by Current Liabilities.*
- *Debt-Equity Ratio is calculated as Total Debt divided by Shareholder's Equity.*
- *EBITDA is calculated as Profit before tax + Depreciation & Amortization + Interest Expense's -Others Income*
- *EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations*
- *Return on Equity is ratio of Profit after Tax and Shareholder Equity.*
- *Return on Capital Employed is calculated as EBIT divided by capital employed, being total shareholders' funds plus total borrowings.*
- *Operating Cash Flow is the restated cash flow of our operations.*

- *Trade Receivable Days are calculated by dividing the total trade receivables by the revenue earned during the period and then multiplying the result by 365.*
- *Trade Payable Days are determined by dividing the total trade payables by the COGS during the period and multiplying the outcome by 365.*
- *Inventory Days are determined by dividing the total inventory by the COGS during the period and multiplying the outcome by 365.*
- *Cash Conversion Cycle is determined by adding Trade Receivable Days and Inventory Days, then subtracting Trade Payable Days from the total.*

For further details, please refer to the chapter titled "***Basis for Issue Price***" beginning on page 90 of the Draft Red Herring Prospectus.

RISK FACTORS

The below mentioned risks are the top 10 internal risk factors as per the Draft Red Herring Prospectus:
1. Our Company has a high geographical concentration of revenue from Punjab.
2. Our Company has entered into certain related party transactions and may continue to do so in the future.
3. Certain adjustments have been made in the financial statements of the Company by our Auditors.
4. A major portion of our revenue depends upon a few customers and upon the retention of our existing customers. The loss of, or a reduction in business from, one or more of our major customers would have a material adverse effect on our business, financial condition and results of operations.
5. A substantial portion of our raw materials is sourced from a limited number of suppliers, substantially all of whom are located in the State of Punjab. Any disruption in supply, any increase in prices, or the inability of these suppliers to meet our requirements, may adversely affect our operations.
6. We have reported negative cash flows from operating activities in each of Fiscals 2026, 2025 and 2024, aggregating Rs. 201.28 Lakhs, notwithstanding restated profit after tax aggregating Rs. 1,528.92 Lakhs over the same period. Any continuation of negative cash flows from operating activities could affect our business, results of operations and prospects.
7. We have not placed orders for the plant and machinery proposed to be purchased out of the Net Proceeds, and any delay or cost escalation in placing those orders may delay the implementation of the object of the Issue and increase our project cost.
8. The land on which we propose to set up the electrical furnace to be funded out of the Net Proceeds is not owned by us and is held under a short-term lease, and our inability to renew that lease could adversely affect the object of the Issue.
9. The Restated Financial Statements included in the Offer Document have been prepared and examined by an independent Chartered Accountant, who is other than our Statutory Auditor and subject to peer review, and any differences in their respective roles or observations may affect the presentation of our financial information.
10. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the issue proceeds may delay the implementation schedule.

*For further details, please refer to the chapter titled "**Risk Factors**" beginning on page 22 of the Draft Red Herring Prospectus.*

THE DETAILS OF WEIGHTED AVERAGE COST OF ACQUISITION OF SHARES FOR PROMOTER

PARTICULARS	NUMBER OF EQUITY SHARES HELD AS ON DATE*	WEIGHTED AVERAGE COST OF ACQUISITION ("WACA") PER EQUITY SHARE (IN ₹)*	WACA PER EQUITY SHARES ACQUIRED IN LAST ONE YEAR*
Promoters			
Jasdil Singh	21,16,000	9.74	83.00
Jagdev Singh	20,74,000	0.19	-

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

Period	Weighted Average Cost of Acquisition (in Rs.)	Cap Price (₹[●]) is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)

Last one year preceding the date of the Draft Red Herring Prospectus	44.35	[●]	Lowest:10 Highest:83
Last three years preceding the date of the Draft Red Herring Prospectus	44.35	[●]	Lowest:10 Highest:83

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

S. No	Name	Designation	Experience including current / past position held in other firms (20 - 40 words for each Director)
1.	Jagdev Singh	Managing Director	B.Tech (Mechanical Engineering), Punjab University, 1983. Associated with our Company since incorporation and has over four decades of experience in the engineering and capital goods industry. As Managing Director he oversees operations, planning and implementation, expansion and overall management of our business.
2.	Jasdil Singh	Whole Time Director	B.Tech (Mechanical Engineering), J.R.N. Rajasthan Vidyapeeth University, 2014. Associated with our Company since April 29, 2022 and has over a decade of experience. Previously Assistant Engineer at B R Metallics Private Limited (September 2014 to August 2018), where he handled sales, market strategy and product development.
3.	Amandeep Arora	Independent Director	Bachelor of Science, Guru Nanak Dev University. Appointed as an Independent Director on December 1, 2025. She has cumulative experience of three years in the field of teaching.
4.	Vikas Arora	Independent Director	B.Com., GGN Khalsa College, Ludhiana and LL.B., Bhai Gurdas Law College, Sangrur. Appointed as an Independent Director on December 1, 2025. He worked as an accountant for eight years and is currently the Chief Financial Officer of a listed company.
5.	Baljeet Kaur	Non-Executive Director	Senior secondary education from the Punjab School Education Board. Appointed as a Non-Executive Director on June 17, 2026. She has three years of managing accounts and bookkeeping.
6.	Rajesh Singla	Chief Financial Officer	Diploma in Electrical Engineering, Punjab State Board of Technical Education and Industrial Training, and M.B.A. (Finance Management), Chhatrapati Shahu Ji Maharaj University, Kanpur. Joined our Company on December 1, 2025. He has four years of experience as Manager and head of the accounts department and three years as Chief Financial Officer of a listed company.
7.	Tirlok Mohan	Company Secretary and Compliance Officer	B.Com., Indira Gandhi National Open University; qualified as a Company Secretary in 2023. Joined our Company on December 1, 2025. He previously worked

			with Nagpal & Co. as an assistant compliance manager and has experience in RoC and other regulatory compliances.

*For further details, please refer to the chapter titled "**Our Management**" beginning on page 146 of the Draft Red Herring Prospectus.*

AUDITOR QUALIFICATIONS

There are no audit qualifications which have not been given effect in the Restated Financial Statements.

SUMMARY TABLE OF OUTSTANDING LITIGATIONS

A summary of outstanding litigations proceedings involving our Company, Promoters, Directors, KMPs, SMPs and Group Company (to the extent material to our Company) as on the date of the draft Red Herring Prospectus are as below:

Particulars	Criminal Proceedings	Tax Proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Amount Involved
Company						
By	Nil	Nil	2	Nil	Nil	2.00*
Against	Nil	1	Nil	Nil	Nil	31.18
Promoters						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies/Entities						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiary						
By	NA	NA	NA	NA	NA	NA
Against	NA	NA	NA	NA	NA	NA
Directors other than promoters						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	1	Not quantifiable
KMP other than Directors and Promoters						
By	Nil	Nil	Nil	Nil	Nil	Nil
Against	Nil	Nil	Nil	Nil	Nil	Nil

**Indicative aggregate penalty of ₹ 1,25,000 on our Company and ₹ 75,000 on each officer-in-default sought in the adjudication application, computed after applying the relief available under Section 446B of the Companies Act, 2013. The compounding application does not quantify a monetary claim.*

For further details, please refer to chapter titled "***Outstanding Litigations & Material Developments***" on page 185 of this Draft Red Herring Prospectus.

PRICE INFORMATION OF BRLM'S

S.no	Issue Name	Issue Size (In lakhs)	Issue Price	Listing Date	Opening Price on listing	+/- change in closing price, [+/- change in benchmark]- 30th calendar day from listing		+/- change in closing price, [+/- change in benchmark]- 90th calendar day from listing		+/- change in closing price, [+/- change in benchmark]- 180th calendar day from listing	
1	Macobs Technologies Limited	1946.40	75	7/24/2024	96	99.13%	{3.39%}	94.67%	-{0.55%}	126.73%	-{2.46%}

2	TechEra Engineering (India) Limited	3589.63	82	10/3/2024	125	107.20%	-{0.25%}	140.06%	-{1.12%}	58.48%	-{15.99%}
3	Avax Apparels and Ornaments limited	191.80	70	1/14/2025	133	36.43%	-{6.48%}	84.00%	-{7.99%}	80.29%	{114.90%}
4	GB Logistics Commerce Limited	2506.75	92	1/31/2025	81.6	-52.50%	-{11.85%}	-51.03%	-{1.32%}	-43.15%	{114.94%}
5	Finbud Financial Services Limited	7168.16	142	11/13/2025	164.85	-1.69%	-{3.84%}	-14.51%	-{3.99%}	-14.40%	-{0.72%}
6	Madhur Knit Crafts Limited	5326.80	100	9/1/2026	100.00	-	-	-	-	-	-

INDICATIVE TIMETABLE	
Bid / Issue Opening Date	**[●]**
Bid / Issue Closing Date	**[●]**
Finalisation of Basis of Allotment with the Designated Stock Exchange	**[●]**
Initiation of Refunds	**[●]**
Credit of Equity Shares to demat accounts of Allottees	**[●]**
Commencement of trading of Equity Shares on the Stock Exchange	**[●]**

DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Draft Red Herring Prospectus are true and correct.

DRAFT RED HERRING PROSPECTUS
Dated: September 10, 2026
Please read Section 26 and 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

Please Scan to view the DRHP & Draft Abridged Prospectus

BHAGYA MACHINE TOOLS LIMITED
(Formerly known as Bhagya Steels Limited)
CIN: U27320PB2021PLC054838

Registered Office	Corporate Office	Contact Person	Telephone and Email	Website
VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India - 141206	306, 3rd Floor, SCO 14, Skyland Private Limited Tower, Feroze Gandhi Market, Ludhiana, Punjab - 141001	Tirlok Mohan Company Secretary and Compliance Officer	Tel: +91 90922-00302 Email: secretarial@bhagyamachinetools.com	https://bhagyamachinetools.com/

PROMOTERS OF OUR COMPANY

(I) Jagdev Singh (II) Jasdil Singh

DETAILS OF THE ISSUE

TYPE	FRESH ISSUE	OFFER FOR SALE (₹ IN LAKHS)	TOTAL ISSUE	ELIGIBILITY & SHARE ALLOCATION
Fresh Issue	Up to 20,80,000 Equity Shares aggregating up to ₹ [●] Lakhs	-	Up to ₹ [●] Lakhs	This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. The Issue Price is ₹ [●] per Equity Share and is [●] times the face value of the Equity Shares. For details in relation to share reservation among QIBs, Non-Institutional Bidders and Individual Bidders, see "The Issue" beginning on page 43.

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION - NA

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in ***"Basis for Issue Price"*** on page 90 or in case where, Price Band is not disclosed otherwise, will be advertised in all editions of a widely circulated English national daily newspaper, all editions of a widely circulated Hindi national daily newspaper and regional Punjabi newspaper (Punjabi being the regional language of Punjab, where our Registered Office is located), at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the "***Risk Factors***" beginning on page 22 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

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

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Name	Contact Persons	Email & Telephone No.
SKI INVESTMENT BANKING **SKI CAPITAL SERVICES LIMITED**	Mr. Manick Wadhwa/ Mr. Shreias Jetly	Email: bmtlipo@skicapital.net Tel. No.: +91-011-41189899

REGISTRAR TO THE ISSUE

Name	Contact Person	Email & Telephone No.
Bigshare Services Pvt. Ltd. **BIGSHARE SERVICES PRIVATE LIMITED**	Mr. Asif Sayed	Email: ipo@bigshareonline.com Tel No: +91 22 6263 8200

ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE: [●]	ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date. Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.

DRAFT RED HERRING PROSPECTUS
Dated: September 10, 2026
Please read Section 26 and 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Issue

BHAGYA MACHINE TOOLS LIMITED
(Formerly known as Bhagya Steels Limited)
CIN: U27320PB2021PLC054838

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of "Bhagya Steels Private Limited" bearing Corporate Identification Number U27320PB2021PTC054838 dated December 08, 2021, issued by the Registrar of Companies, Chandigarh. Subsequently, our Company was converted into a public limited company and, consequently, the name of our Company was changed to "Bhagya Steels Limited" and a fresh Certificate of Incorporation dated September 05, 2024, was issued by the Registrar of Companies, Chandigarh. Subsequently, the name of our Company was changed to "Bhagya Machine Tools Limited" pursuant to special resolution passed in the Extra-Ordinary General Meeting of the company dated November 17, 2025 and consequently a fresh Certificate of Incorporation dated November 27,2025 issued by Registrar of Companies, Chandigarh. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U27320PB2021PLC054838. For further details, please refer to ***"Our History and Certain Other Corporate Matters"*** beginning on page 143 of this Draft Red Herring Prospectus.

Registered Office VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206
Contact Person: Tirlok Mohan, Company Secretary & Compliance Officer; **Tel No:** +91 90922-00302 Email: secretarial@bhagyamachinetools.com; Website: https://bhagyamachinetools.com/
OUR PROMOTERS: (I) Jagdev Singh (II) Jasdil Singh.

DETAILS OF THE ISSUE
THE ISSUE COMPRISE OF A PUBLIC ISSUE OF UP TO 20,80,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FULLY PAID (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARES (INCLUDING A PREMIUM OF ₹ [●]/- PER EQUITY SHARE) AGGREGATING TO ₹ [●]/-LAKHS ("THE ISSUE") BY OUR COMPANY. THE ISSUE COMPRISES A RESERVATION OF WHICH [●] EQUITY SHARES OF ₹10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER RESERVATIONS PORTION AND A NET ISSUE TO THE PUBLIC OF [●] EQUITY SHARES OF ₹10/- EACH IS HEREINAFTER REFERRED TO AS THE NET ISSUE. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] AND [●] RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM ADVERTISED IN ALL EDITIONS OF A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER FINANCIAL EXPRESS, ALL EDITIONS OF A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER JANSATTA AND REGIONAL NEWSPAPER DAILY SURAJ (PUNJABI BEING THE REGIONAL LANGUAGE OF PUNJAB, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED "BSE") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS, PLEASE REFER TO "*ISSUE STRUCTURE*" BEGINNING ON PAGE 216 OF THIS DRAFT RED HERRING PROSPECTUS.
In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid /Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLM and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.
The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"). Out of the Anchor Investor Portion, 40% shall be reserved, of which (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies, and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription under (ii) above, the allocation may be made to domestic Mutual Funds. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders (of which one third of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10 Lakhs and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size exceeding ₹ 10 Lakhs) and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other subcategory of Non-Institutional Portion, subject to valid Bids being received at or above the Issue Price and not less than 35% of the Net Issue shall be available for allocation to Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of Individual Bidders using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid. For details, see ***"Issue Procedure"*** on page 222.
ELIGIBLE INVESTORS
All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to ***"Issue Procedure"*** on page 222 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.
RISK IN RELATION TO THE FIRST ISSUE
This being the first public Issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10.00. The Issue Price, Floor Price or the Price Band 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.
GENERAL RISKS
Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 22 of this Draft Red Herring Prospectus.
ISSUER'S ABSOLUTE RESPONSIBILITY
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the

omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

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

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
SKI CAPITAL SERVICES LIMITED SEBI Registration No.: INM000012768 Address: 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005 Telephone No: +91-011-41189899 Website: www.skicapital.net Email ID: bmtlipo@skicapital.net Contact Person: Mr. Manick Wadhwa/ Mr. Shreias Jetly	**BIGSHARE SERVICES PVT. LTD** SEBI Registration No.: INR000001385 Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093, Maharashtra, India. Telephone No: +91 22 6263 8200 Contact Person: Mr. Asif Sayed Email: ipo@bigshareonline.com Website: www.bigshareonline.com

ISSUE PROGRAMME

ANCHOR INVESTOR BIDDING DATE: [●]	ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

Our Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date. Our Company, in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

*Notwithstanding the foregoing, terms in "**Main Provisions of the Articles of Association**", "**Statement of Special Tax Benefits**", "**Our Industry**", "**Key Industry Regulations and Policies**", "**Restated Financial Information**", "**Outstanding Litigation and Other Material Developments**", will have the meaning ascribed to such terms in these respective sections.*

Conventional or General Terms

Term	Description
"Our Company", "the Issuer", "the Company" "Bhagya Machine Tools Limited" and "BMTL"	Unless the context otherwise requires, refers to Bhagya Machine Tools Limited (Formerly known as Bhagya Steels Limited), a company incorporated under the Companies Act, 2013 having its registered office at VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206.
"we", "us" and "our"	Unless the context otherwise indicates or implies, refers to our Company as on the date of this Draft Red Herring Prospectus.
"you", "your" or "yours"	Prospective bidders in this Issue.

Issue Related Terms

Terms	Description
Abridged Prospectus	Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and embedded in the Application Form.
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid Cum Application Form.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus, and who has Bid for an amount of at least ₹200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company with the Book Running Lead Manager during the Anchor Investor Bid/Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion, and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed.

Terms	Description
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Draft Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. In accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, out of the Anchor Investor Portion, 40% shall be reserved, of which (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds.
Applicant	Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus.
Application Form	The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue.
ASBA/ Application Supported by Blocked Amount.	Applications Supported by Blocked Amount (ASBA) means an application for Subscribing to the Issue containing an authorization to block the application money in a bank account maintained with SCSB.
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the amount specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Bangalore, Pune, Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda and Surat.
ASBA Bid	A Bid made by an ASBA Bidder.
ASBA Bidder(s)	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid Cum Application Form including through UPI mode (as applicable).
ASBA Form	A Bid Cum Application Form, whether physical or electronic, used by ASBA bidders, which will be considered as the bid for Allotment in terms of the Draft Red Herring Prospectus.
ASBA Investor/ ASBA applicant	Any prospective investor(s)/applicants(s) in this Issue who apply(ies) through the ASBA process.
Banker(s) to the Issue/ Public Issue Bank(s).	Collectively, the Escrow Collection Bank, Refund Bank, Public Issue Account Bank and Sponsor Bank(s)
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Applicants under the Issue and which is described under chapter titled "***Issue Procedure***" beginning on page 222 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid Cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.

Terms	Description
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of Financial Express (a widely circulated English national daily newspaper), and all editions of Jansatta (a widely circulated Hindi national daily newspaper), and regional newspaper Daily Suraj (Punjabi being the regional language of Punjab, where our Registered Office is located). In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations.
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in all editions of Financial Express (a widely circulated English national daily newspaper), and all editions of Jansatta (a widely circulated Hindi national daily newspaper), and regional newspaper Daily Suraj (Punjabi being the regional language of Punjab, where our Registered Office is located).
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investor in cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid Cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager or BRLM	The Book Running Lead Manager to the Issue, namely SKI Capital Services Limited ("SKI").
Broker Centre's	Broker Centre's notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centre's, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange (www.bseindia.com).
CAN / Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, on or after the Anchor Investor Bid/Issue Period.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalized and above which no Bids will be accepted.
Client ID	Client identification number maintained with one of the Depositories in relation to Demat account.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time.
Controlling Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their address, PAN, occupation and bank account details.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at www.sebi.gov.in, or at such other websites as may be prescribed by SEBI from time to time.

Terms	Description
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at www.bseindia.com.
Designated Date	The date on which funds are transferred from the amount blocked by the SCSBs is transferred from the ASBA Account to the Public Issue Account, as appropriate, after the Issue is closed, following which the Equity Shares shall be allotted/transferred to the successful Applicants.
Designated Intermediary(ies)"	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to IBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid Cum Application Forms from the relevant Bidders, in relation to the Issue. In relation to ASBA Forms submitted by IBs Bidding in the Individual Portion by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit the Bid Cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange (www.bseindia.com).
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	SME Platform of BSE Limited or BSE SME.
Draft Abridged Prospectus	Draft Abridged Prospectus dated September 10, 2026 issued in accordance with Regulation 255 of the ICDR Regulations, 2018
Draft Red Herring Prospectus	Draft Red Herring Prospectus filed with BSE SME for obtaining in-principle approval.
Eligible FPI(s)	FPI(s) that are eligible to participate in the Issue in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an issue/ invitation under the issue and in relation to whom the Bid Cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Escrow Account	Account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid.
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened.
First/ Sole Applicant	The applicant whose name appears first in the Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be Finalized and below which no Bids will be accepted.

Terms	Description
General Information Document / GID	The General Information Document for investing in public issues prepared and issued in accordance with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, as modified by SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, and the UPI Circulars, as amended from time to time. The General Information Document is available on the websites of the Stock Exchange and the BRLM.
Gross Proceeds	Gross proceeds of the issue that will be available to our Company.
Issue/ Issue Size/ Initial Public Offer/Initial Public Offer/Initial Public Offering/ IPO	Public Issue of up to 20,80,000 Equity Shares of face value of ₹ 10/- each fully paid of our Company for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating ₹ [●] Lakhs comprising of a fresh issue of up to 20,80,000 Equity Shares aggregating up to ₹ [●] Lakhs by our Company.
Issue Agreement	The agreement dated, July 04, 2026 between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	The date on which Issue closes for subscription is [●]
Issue Opening Date	The date on which Issue opens for subscription is [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application.
Issue Price	The final price at which the Equity Shares will be Allotted to successful Bidders, other than Anchor Investors, being ₹ [●] per Equity Share of face value of ₹ 10/- each fully paid. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price. The Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager, in accordance with the Book Building Process on the Pricing Date and in terms of the Draft Red Herring Prospectus.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled "***Objects of the Issue***" page 74 of this Draft Red Herring Prospectus.
Listing Agreement	The equity listing agreement to be signed between our Company and BSE Limited, being the Designated Stock Exchange.
Market Maker	Market Makers appointed by our Company from time to time, in this case being [●] having SEBI registration number [●] who have agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time.
Market Making Agreement	The Agreement entered between the Book Running Lead Manager, Market Maker and our Company dated [●].
Market Maker Reservation	The Reserved Portion of [●] Equity Shares of face value of ₹ 10 /- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] for the Market Maker in this Issue.
Mobile App(s)	The mobile applications listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations,1996, as amended from time to time.
Mutual Fund Portion	Up to 5% of the Net QIB Portion or Up to [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of ₹ 10 /- each of Issuer at ₹ [●] (including share premium of ₹ [●]) per equity share aggregating to ₹ [●].
Net Proceeds	The Issue Proceeds, less the issue related expenses, received by the Company. For information about use of the Issue Proceeds and the Issue expenses, please refer to the chapter titled ***Objects of the Issue*** beginning on page 74 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005, of Government of India published in the Gazette of India.

Terms	Description
Non-Institutional Applicants	All Bidders, including FPIs other than individuals, corporate bodies and family offices, registered with the SEBI that are not QIBs (including Anchor Investors) or Individual Investors, who have Bid for Equity Shares with an application size of more than two lots and above.
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Net Issue, or [●] Equity Shares, available for allocation to Non-Institutional Investors, of which one-third shall be available for allocation to Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10 Lakhs and two-third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 Lakhs provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other subcategory of Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI.
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Public Issue Account	Account opened with the Banker to the Issue/Public Issue Bank i.e. [●] by our Company to receive monies from the ASBA Accounts of the ASBA Bidders and from the Escrow Account in the case of Anchor Investors, on the Designated Date.
Public Issue Bank	The banks which are a clearing member and registered with SEBI as a banker to an issue and with whom the Public Issue Account for collection of Bid Amounts from Escrow Account and ASBA Accounts will be opened.
Prospectus	The Prospectus, which is filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Qualified Institutional Buyers / QIBs	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue comprising up to [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Issue Price.
Refund Account	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Refund Bank	The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Refund Account for the Issue will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registered Brokers	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids.
Registrar/ Registrar to the Issue	Registrar to the Issue being Bigshare Services Private Limited For more information please refer ***— General Information*** on page 51 of this Draft Red Herring Prospectus.
Registrar Agreement	The agreement dated July 09, 2026, among our Company, the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time.
Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of an application size of two lots.

Terms	Description
Red Herring Prospectus / RHP	The Red Herring Prospectus dated [●], to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three working days before the Bid / Issue Opening Date and will become the Prospectus upon filing with the RoC after the pricing date.
SCORES	SEBI Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI
Self-Certified Syndicate Bank(s) / SCSB	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html or at such other website as may be prescribed by SEBI from time to time.
SME Platform of BSE Limited	The SME Platform of BSE Limited i.e. BSE SME for listing equity shares issued under Chapter IX of the SEBI ICDR Regulations.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the Stock Exchange and NPCI to push the mandate to collect requests and / or payment instructions of the retail investors into the UPI. In this case [●].
Syndicate Agreement	Agreement to be entered into among the Company, the Book Running Lead Manager, and the Syndicate Members in relation to collection of Bid Cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries (other than Book Running Lead Manager) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Issue and carry out activities as an underwriter namely, [●].
Syndicate or members of the Syndicate	Together, the Book Running Lead Manager, and the Syndicate Member.
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application.
Underwriter	Underwriter to this Issue is [●].
Underwriting Agreement	The agreement dated [●] entered between Underwriter and our Company.
Unified Payments Interface / UPI	The instant payment system developed by the National Payments Corporation of India.
UPI Bidders	Collectively, individual investors applying as (i) Individual Bidders in the Individual Portion and (ii) Non-Institutional Bidders with an application size of up to ₹5.00 Lakhs in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5.00 Lakhs using UPI Mechanism, shall provide their UPI ID in the bid-cum application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an offer and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)

Terms	Description
UPI Circulars	Collectively, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI RTA Master Circular (i.e. SEBI master circular bearing number SEBI/HO/MIRSD/POD1/P/CIR/2024/37 dated May 7, 2024 and HO/38/13/(4)2026MIRSD-POD/I/4298/2026 dated February 6, 2026) (to the extent that such circulars pertain to the UPI Mechanism), SEBI ICDR Master Circular (i.e. SEBI master circular number HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 9, 2026), along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE-Exchange having reference number 25/2022 dated August 3, 2022, and the circular issued by BSE-Exchange having reference number 20220803-40 dated August 3, 2022, SEBI Circular no. SEBI/HO/DEPA-II/DEPA-II_SRG/P/CIR/2025/86 dated June 11, 2025, and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard from time to time and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard from time to time.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of an SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulations, working days' means, all days on which commercial banks in the city as specified in this Draft Red Herring Prospectus are open for business. However, in respect of announcement of price band and Bid/ Issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the Draft Red Herring Prospectus are open for business. In respect to the time period between the Bid/ Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the stock exchange, excluding Saturdays, Sundays and bank holidays in accordance with circular issued by SEBI.

Issuer and Industry Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Bhagya Machine Tools Limited (Formerly known as Bhagya Steels Limited), as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company's Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled "***Our Management***" on page 146 of this Draft Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company, being Manoj K Goel & Associates, Chartered Accountants.
Banker to the Company	Banker to the Company being, Axis Bank Limited.
Board of Directors / Board/ Director(s)	The Board of Directors of Bhagya Machine Tools Limited, including all duly constituted Committees thereof.
Capital goods	Machinery and equipment used to produce other goods; the base for the engineering, construction, infrastructure and consumer-goods sectors.
Capital goods industry	The manufacturing sector producing capital goods.

Terms	Description
CIN	Corporate Identification Number of our Company i.e. U27320PB2021PLC054838
Companies Act	The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being, Tirlok Mohan.
Corporate Office	The Corporate office of our Company which is located at 306, 3rd Floor, SCO 14, Skyland Private Limited Tower, Feroze Gandhi Market, Ludhiana, Punjab - 141001.
Chief Financial Officer	The Chief Financial Officer of our Company being Rajesh Singla.
DIN	Directors Identification Number.
Director(s) / our directors	The Director(s) of our Company, unless otherwise specified.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Equity Shares	Equity shares of our Company of Face Value of ₹10 each unless otherwise specified in the context thereof.
Equity Shareholders	Persons holding equity shares of our Company.
Group Companies	Group companies of our Company in accordance with the SEBI ICDR Regulations. For details, see "***Our Group Companies***" beginning on page 194.
HUF	Hindu Undivided Family.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number. In this case being, INE1F1201014.
Key Managerial Personnel /Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the chapter titled "***Our Management***" on page 146 of this Draft Red Herring Prospectus.
Key Performance Indicators" or "KPIs"	Key financial and operational performance indicators of our Company, as included in *"**Basis for Issue Price**"* beginning on page 90.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Bhagya Machine Tools Limited.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted June 17,2026 on in accordance with Section 178 of the Companies Act, 2013, the details of which are provided in ***"Our Management"*** beginning on page 146 of this Draft Red Herring Prospectus.
Non-Residents	A person resident outside India, as defined under FEMA.
NRIs / Non-Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Peer Reviewed Auditor	Being Meenakshi Gujral & Co., Chartered Accountants, holding a valid peer review certificate, as mentioned in "***General Information***" on page no 51 of this Draft Red Herring Prospectus.
Promoters or Our Promoters	Promoters of our Company being Jagdev Singh and Jasdil Singh.
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "***Our Promoters and Promoter Group***" beginning on page 160.
Registered Office	The Registered office of our Company which is located at VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206

Terms	Description
Restated Financial Statements	The restated financial statements of our Company, on a standalone basis, which comprises the restated statement of Assets and Liabilities, the restated statements of Profit And Loss, and the restated Cash Flow Statement for the period ended March 31, 2026, March 31, 2025, & March 31, 2024, of our Company prepared in accordance with GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC	Registrar of Companies, Chandigarh.
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI (LODR) Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI (Takeover) Regulations or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time.
Senior Management	Senior Management of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in the chapter titled *"**Our Management**"* beginning on page 146 of this Draft Red Herring Prospectus.
Stock Exchange	Unless the context requires otherwise, it refers to the SME Platform of BSE Limited.
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA being Jagdev Singh and Charanjit Kaur.
Whole Time Director	The Whole Time Director of our Company being Jasdil Singh.
Business Related Terms	
Bill of Materials	Structured list of raw materials, bought-outs and quantities for each machine or die.
Bed (bolster)	The fixed base or table of a press on which the lower die and workpiece are mounted.
Cast Iron	An iron alloy used for cast machine bodies and components.
Casting and heat treatment	Melting, pit mould pouring, fettling; normalising/stress-relieving and hardness verification where specified.
Clutch	The component that engages and disengages power transmission to control the start of the working stroke.
C-type press	Hydraulic or mechanical power press with a "C" (gap) frame providing access to the work area.
Dry-run cycle	Running the machine without a workpiece to verify controls, motion, emergency stop and interlock functions.
Fabrication	Plate preparation and welding with visual checks; stress-relieving and machining of mating surfaces as specified.
Facing	Lathe or machining operation used to create a smooth, flat surface on the end of a cylindrical component, ensuring proper fitment in assemblies.
Fettling	Removing excess metal, runners or surface irregularities from cast parts after casting, to make them suitable for machining and assembly.
Flywheel	A heavy rotating wheel that stores rotational energy and releases it during the stroke, steadying the machine's motion and delivering the pressing force.
Functional tests	Dimensional alignment, slide parallelism, clearances and torque checks; hydraulic pressure testing, valve setting, dry-run cycles, emergency stop and interlock checks.
Heat Treatment	Controlled heating and cooling (e.g. normalising, stress-relieving) to achieve required mechanical properties.

Terms	Description
H-type press	Hydraulic or mechanical power press with an "H" frame used for medium to heavy forming and drawing.
Hydraulic power press	Power press used for metal forming operations, offered in C-type and H-type families with build-to-order customisation including tonnage ratings and model parameters as per order scope.
Hydraulics	Power and control system comprising pumps, valves, manifolds, cylinders, hoses and piping; defined in drawings and schematics and subjected to pressure testing and valve setting during acceptance.
Machining	Rough and finish machining with in-process gauging to achieve tolerances.
Mechanical clutch / brake	Friction-based systems that engage the drive and stop the ram.
Mechanical power press	Power press used for metal forming operations; offered in C-type and H-type families with build-to-order customisation including tonnage ratings and the option of pneumatic or mechanical clutch and brake systems based on customer requirements.
Mild Steel	Low-carbon steel commonly used for fabricated frames and structures.
Milling	Machining process using a rotating cutter to produce flat surfaces, slots or contours on machine components and fabricated structures.
Overhaul	A thorough strip-down, inspection and rebuild of a machine or a major assembly.
Procurement	Sourcing of steel plates, castings/ingots, forgings, controls, fasteners and other items against production plans.
RAM	The moving member of a press that carries the upper die and travels vertically to deliver the forming force.
Rated tonnage	Maximum press load designed for the machine; used to select model and validate forming application.
Reconditioning	Restoring worn components to usable condition through machining, grinding, welding or fitment correction.
Shaft	A metal component that transmits rotation and power between the flywheel, gears and other drive parts.
Stencil	A template used to mark out or align components during fabrication and assembly.
Stress Relieving	A heat treatment that reduces internal stresses locked into cast or welded parts.
Stroke	The distance the ram travels between the top and bottom of its cycle.
Strokes Per Minute	The number of working strokes a press completes in a minute — the key speed rating of a power press.
Sub-assembly	A group of parts assembled together as a unit that is then fitted into the larger machine.
Tapping	Operation used to create internal screw threads in drilled holes on press components to allow fastening and assembly during machine build.
Tonnage band	Capacity range classification (e.g., by tons) used for planning capacity and quoting models.
Wear parts	Components that wear out through friction or repeated use and are replaced during maintenance.

Abbreviations

Terms	Description
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BRLM	Book Running Lead Manager
BIFR	Board for Industrial and Financial Reconstruction
BOM	Bill of Materials

Terms	Description
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Cash Conversion Cycle	Cash Conversion Cycle helps in measures the time (in days) it takes for a company to convert its investments in inventory and other resources into cash flows from sales. It reflects the efficiency of a company's working capital management.
Cash Profit after tax	Cash Profit After Tax is the profit a company earns after paying taxes but adjusted to include non-cash expenses (like depreciation and amortization). It reflects the actual cash-based profitability rather than just accounting profit.
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Debt	Its shows the total borrowings that the company needs to repay over time.
Debt-Equity Ratio	Debt- Equity Ratio shows the proportion of debt used to finance the company relative to equity. A higher ratio indicates higher financial risk.
DIN	Director Identification Number
DP	Depository Participant
DRHP	Draft Red Herring Prospectus
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation.
EBITDA Margin	EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FY / Fiscal/ Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI / Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MS	Mild Steel
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NDOH	Next Date of Hearing

Terms	Description
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
NGT	National Green Tribunal
NOC	No Objection Certificate
NPV	Net Present Value
NRE Account	Non-Resident External Account
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Operating Cash flow	Operating cash Flow reflects the company's ability to generate sufficient cash to maintain and grow operations, pay off debts, and reinvest in the business.
p.a.	Per Annum
PAT Margin	PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
Revenue from Operations	Revenue from operations is the total revenue generated by our Company from the sale of products.
ROCE	Return on Capital Employed.
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
₹ / ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
STT	Securities Transaction Tax
Trade payable days	Trade payable days indicate the average number of days a company takes to pay its suppliers for goods or services purchased on credit.
Trade receivable days	Trade receivable days represent the average number of days a company takes to collect payments from its customers for rooms or services rendered on credit.
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI.
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Revenue Growth Year on Year	Revenue Growth measures the percentage increase or decrease in a company's revenue compared to the same period in the previous year.
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
DP ID	Depository Participant's Identification Number
FDI	Foreign Direct Investment

Terms	Description
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GST	Goods and Services Tax
IBC	The Insolvency and Bankruptcy Code, 2016, as amended
ICAI	The Institute of Chartered Accountants of India
IIP	Index of Industrial Production
Ind AS	Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended
IST	Indian Standard Time
IT Act	The Information Technology Act, 2000, as amended
KMP	Key Managerial Personnel
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MSME	Micro, Small and Medium Enterprises
NACH	National Automated Clearing House
NCLT	National Company Law Tribunal
NEFT	National Electronic Funds Transfer
Registration Act	The Registration Act, 1908, as amended
Regulation S	Regulation S under the U.S. Securities Act
SBO Rules	The Companies (Significant Beneficial Owners) Rules, 2018, as amended
TAN	Tax Deduction Account Number
Trade Marks Act	The Trade Marks Act, 1999, as amended
USD / US$	United States Dollar, the official currency of the United States of America
WTD	Whole Time Director

Notwithstanding the foregoing:

1. *In the section titled "**Main Provisions of the Articles of Association**" beginning on page number 255 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
2. *In the chapters titled "**Our Business**" beginning on page number 109 respectively, of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
3. *In the section titled "**Risk Factors**" beginning on page number 22 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
4. *In the chapter titled "**Statement of Special Tax Benefits**" beginning on page number 96 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;*
5. *In the chapter titled "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" beginning on page number 169 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.*

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled "***Restated Financial Information***", as Restated 'beginning on page 165 this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months' period ended 31st March of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled "***Restated Financial Information***", as Restated beginning on page 165 of this Draft Red Herring Prospectus.

Currency and units of presentation

In this Draft Red Herring Prospectus, references to Rupees or ₹ or INR. are to Indian Rupees, the official currency of the Republic of India. All references to $, US$, USD, U.S. $ or U.S. Dollars are to United States Dollars, the official currency of the United States of America. All references to million / Million / Mn refer to one million, which is equivalent to ten lacs or ten Lakhs, the word Lacs / Lakhs / Lac means one hundred thousand and Crore means ten million and billion / bn./ Billions means one hundred crores.

Industry and Market Data

Unless stated otherwise, industry data used throughout this Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources which are believed to be reliable but accuracy, completeness, relevance of such information shall be subject to the disclaimers, context and underlying assumptions of such sources. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

Industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in **"*Risk Factors*"** on page 22.

In accordance with the SEBI (ICDR) Regulations, 2018, the section titled "Basis for Issue Price" beginning on page 90 of this Draft Red Herring Prospectus includes90 information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

FORWARD LOOKING STATEMENTS

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

These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Also, statements which describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, changes in the incidence of any natural calamities and/or violence, regulations and taxes and changes in competition in the industries in which we operate.

Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- The loss of, or a reduction in business from, one or more of our major customers, our top 10 customers having contributed 65.93% of our revenue from operations in Fiscal 2026, 69.05% in Fiscal 2025 and 75.21% in Fiscal 2024.
- Any disruption in supply from, or an increase in prices charged by, the limited number of suppliers from whom we source our raw materials, our top three suppliers having accounted for 56.38% of our procurement in Fiscal 2026, 74.57% in Fiscal 2025 and 62.12% in Fiscal 2024.
- The concentration of our operations and our revenue in the State of Punjab, from which we derived 76.88% of our revenue from operations in Fiscal 2026, and our dependence on a single manufacturing facility at Ludhiana, any disruption at which would affect our ability to execute orders.
- Volatility in the prices and availability of metal scrap, iron plates and MS rounds and other raw materials, the cost of materials consumed having represented 98.04% of our total income in Fiscal 2026, and our ability to pass on any increase to our customers.
- Our significant working capital requirements and our ability to fund them, and the continuation of the negative cash flows from operating activities that we recorded in each of Fiscals 2026, 2025 and 2024.
- The absence of long-term agreements with our customers, and cyclical reductions in capital expenditure by the industries we serve, which may affect our order inflow, factory loading and capacity utilisation.
- The outcome of the outstanding legal proceedings involving our Company and one of our Directors, including the income tax demand for Assessment Year 2024-25 and our pending applications for compounding and adjudication under the Companies Act, 2013, and any penalties arising from past delays or deficiencies in our filings with the Registrar of Companies.
- Our dependence on our Promoters, Directors, Key Managerial Personnel and skilled personnel, our ability to attract and retain them, and the continuation of the personal guarantees extended by our Directors in connection with our debt facilities.
- Our ability to obtain, maintain and renew the approvals, licences, registrations and permits required for our business, and any change in, or stringent enforcement of, environmental, health and safety laws, including those applicable to our cupola furnace operations.
- Our indebtedness, the conditions and restrictions imposed by our financing agreements and the charge created over our plant and stock, and our ability to secure adequate financing in the future on acceptable terms, in time or at all.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 22, 109 and 169 respectively of this Draft Red Herring Prospectus.

Forward looking statements reflect views as on the date of this Draft Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. We cannot assure Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus And are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Our Company, our Directors, BRLM or any of their respective affiliates or advisors do not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI ICDR Regulations, our Company and the BRLM will ensure that investors are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

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SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below before making an investment in the Equity Shares.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.

*To obtain a more detailed understanding of our business and operations, see this section in conjunction with the sections titled "**Our Industry**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**", respectively, as well as other financial and statistical information contained in this Draft Red Herring Prospectus. Unless otherwise indicated or unless the context requires otherwise, our financial information used in this section are derived from our Restated Financial Statements. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Issue, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.*

*This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to the considerations described below. For details, refer to the chapter "**Forward-Looking Statements**" page no 20.*

Materiality

The Risk factors have been determined on the basis of their materiality, which has been decided on the basis of following factors:

- Some events may not be material individually but may be material when considered collectively.
- Some events may have an impact which is qualitative though not quantitative.
- Some events may not be material at present but may have a material impact in the future.

Classification of Risk Factors

The risk factors set out below have been classified as (i) internal risk factors, being risks which are specific to our business and operations and to the project for which this Issue is being made, and (ii) external risk factors, being risks which are external to us and beyond our control. Risks relating to the Issue and to the Equity Shares are set out separately under the heading "Issue Related Risk Factors" below. The risk factors have been disclosed in the descending order of materiality and, wherever a risk is capable of being quantified, its financial implication has been stated; where a risk is not capable of being quantified, we have said so in the relevant risk factor.

Internal Risk Factors

1. **Our Company has a high geographical concentration of revenue from Punjab.**

Our Company derives a significant portion of its revenue from the state of Punjab, accounting for an average of over 78% of total revenue over the past three fiscal years. This high geographical concentration exposes the Company to risks associated with regional economic, political, and environmental conditions. Any adverse developments in Punjab, such as economic slowdowns, regulatory changes, natural disasters, or political instability, could materially impact the Company's business, financial condition, and results of operations. Consequently, a significant disruption in this region may lead to a substantial decrease in revenue and profitability, affecting the overall stability and growth prospects of the Company.

The table below reflects the Company's revenue from different geographical segments over the past three fiscal years:

(In Lakhs)

Name of the State	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %

Gujarat	3.60	0.05%	–	–	–	–
Maharashtra	1242.99	18.18%	756.94	11.57%	250.755	7.53%
Uttar Pradesh	325.99	4.77%	–	–	–	–
Jammu and Kashmir	8.63	0.13%	–	–	–	–
Bihar	–	–	437.72	6.69%	–	–
Uttarakhand	–	–	173.44	2.65%	–	–
Delhi	–	–	563.83	8.62%	–	–
Chhattisgarh	–	–	291.71	4.46%	–	–
Haryana	–	–	5.00	0.08%	–	–
Punjab	5,257.21	76.88%	4,315.71	65.95%	3,079.855	92.48%
Total	**6,838.42**	**100.00%**	**6,544.35**	**100.00%**	**3,330.61**	**100.00%**

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

Our Company has entered into related party transactions with our Promoters, Directors and Promoter Group during the last three Financial Years. While our Company believes that all such transactions have been conducted on an arm's length basis in compliance with the Companies Act and other relevant rules and regulations, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For more details, refer to Note 32 – Related Party Disclosures of the "Restated Financial Information" on page 165 of this Draft Red Herring Prospectus.

Summary Table of Related Party Transactions

(₹ In Lakhs)

Name of related person	Nature of payment	For year ended 31.03.2026	% of Turnover	For year ended 31.03.2025	% of Turnover	For year ended 31.03.2024	% of Turnover
Jaskaran Singh	Director Remuneration	6.40	0.09%	7.20	0.11%	3.60	0.11%
Jasdil Singh	Director Remuneration	9.60	0.14%	7.20	0.11%	3.60	0.11%
Jagdev Singh	Director Remuneration	3.20	0.05%	-	-	-	-
Rupinder Kaur	Loan Given	-	-	-	-	2.00	0.06%
Rupinder Kaur	Loan Repaid	-	-	2.00	0.03%	-	-
Jasdil Singh	Loan Received	-	-	183.84	2.81%	-	-
Jasdil Singh	Loan Given	-	-	-	-	8.84	0.27%
Jasdil Singh	Loan Repaid	6.93	0.10%	2.07	0.03%	-	-
Jaskaran Singh	Loan Received	-	-	184.80	2.82%	2.35	0.07%
Jaskaran Singh	Loan Repaid	9.00	0.13%	10.05	0.15%	2.10	0.06%
M/s Micro Engineers	Purchase of goods	-	-	227.20	3.47%	-	-
M/s Micro Engineers	Sale of goods	-	-	-	-	16.60	0.50%

3. **Certain adjustments have been made in the financial statements of the Company by our Auditors.**

The Company's Restated Financial Statements contain adjustments made by peer-reviewed auditors. These adjustments, which differ from the initially audited financials. Such revisions could lead to a change in the perception of the Company's financial health and operational efficiency. To gain a comprehensive understanding of these adjustments and their implications, refer to Note 41 of the "***Restated Financial Statements"*** on page 165 of this Draft Red Herring Prospectus.

Reconciliation of profit after tax as per audited financial statements and profit after tax as per the restated financial information

(In Lakhs)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Profit after tax as per audited financial statements	820.31	509.58	206.32
Adjustments for:			
Provision for Gratuity	(0.65)	(3.20)	-
Deferred tax	-	0.76	(0.03)
Provision for income tax	1.34	1.14	(0.09)
Reclassification of other expenses	-	(6.56)	-
Profit after tax as per restated financial information	**821.00**	**501.72**	**206.20**

Notes:

1. ***Provision for Gratuity***

The Company used to recognise expense on account of gratuity on payment basis till the financial year ended March 31, 2024 and recognised provision for gratuity for the first time as per actuarial valuation during the financial year ended March 31, 2025. The same has been given effect to in the previous years in the Restated Financial Information in accordance with the accounting policy followed during the financial year ended March 31, 2025, and the effect up to March 31, 2022 has been adjusted directly in reserves and surplus. Accordingly, the deferred tax asset has also been recognised on such provision in the Restated Financial Information. Further, for the financial year ended March 31, 2026, an additional/differential provision for gratuity amounting to ₹0.65 lakh has been recognised in the Restated Financial Information as compared to the audited financial statements. Accordingly, the profit after tax for the financial years ended March 31, 2026 and March 31, 2025 has been reduced by ₹0.65 lakh and ₹3.20 lakh, respectively.

2. ***Deferred Tax***

There was a difference in the practice of recognition of deferred tax liabilities/assets during the financial years ended March 31, 2025 and March 31, 2024 vis-à-vis the earlier years. The same has been recognised in the Restated Financial Information in line with the accounting treatment followed during the financial year ended March 31, 2025, and the effect up to March 31, 2022 has been adjusted directly in reserves and surplus. Accordingly, the deferred tax adjustments resulted in an increase in profit after tax by ₹0.76 lakh for the financial year ended March 31, 2025 and a reduction in profit after tax by ₹0.03 lakh for the financial year ended March 31, 2024. There is no adjustment on account of deferred tax for the financial year ended March 31, 2026.

3. ***Provision for Income Tax***

There were differences between the provision for income tax recognised in the audited financial statements and the provision for income tax considered in the Restated Financial Information for the respective financial years. Accordingly, necessary adjustments have been made in the Restated Financial Information to reconcile the provision for income tax with the amounts considered for the purpose of restatement. Consequently, the profit after tax has been increased by ₹1.34 lakh and ₹1.14 lakh for the financial years ended March 31, 2026 and March 31, 2025, respectively, and reduced by ₹0.09 lakh for the financial year ended March 31, 2024.

4. ***Reclassification of Other Expenses***

Certain items forming part of other expenses in the audited financial statements for the financial year ended March 31, 2025 have been reclassified/adjusted in the Restated Financial Information in accordance with the classification and presentation adopted for the purpose of restatement. Accordingly, a net adjustment of ₹6.56 lakh has been made, resulting in a corresponding reduction in the profit after tax for the financial year ended March 31, 2025. There are no corresponding adjustments under this head for the financial years ended March 31, 2026 and March 31, 2024.

4. **A major portion of our revenue depends upon a few customers and upon the retention of our existing customers. The loss of, or a reduction in business from, one or more of our major customers would have a material adverse effect on our business, financial condition and results of operations.**

We derive a major portion of our revenue from a few customers and the details of contribution of our top 1,3,5 and 10 customers to our total revenue from operations for the periods ended March 31,2026, March 31, 2025 and March 31,2024, have been set out below:

(In Lakhs)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Top 1 Customer	1,239.39	18.12%	756.32	11.56%	1,265.90	38.01%
Top 3 Customers	2,336.42	34.17%	2,011.36	30.73%	1,695.06	50.89%
Top 5 Customers	3,094.77	45.26%	3,064.29	46.82%	2,004.24	60.18%
Top 10 Customers	4,508.85	65.93%	4,518.75	69.05%	2,504.91	75.21%

The above table highlights that a significant portion of our revenue is concentrated among a few customers, with the top 10 customers together contributing 65.93% of revenue from operations in Fiscal 2026, 69.05% in Fiscal 2025 and 75.21% in Fiscal 2024. Any loss or reduction in business from these customers, or changes in their purchasing patterns, could materially impact our revenue, profitability, and overall financial performance.

The Company's revenue is derived from a mix of retained and new customers, with retained customers contributing 77% of total revenue in Fiscal 2026, 73.05% in Fiscal 2025, and 84.08% in Fiscal 2024, while new customers contributed 23%, 26.95%, and 15.92%, respectively. Any failure to retain existing customers or attract new customers could adversely impact the Company's revenue, profitability, and growth prospects. Additionally, reliance on a limited number of high-value retained customers increases the risk that loss or reduced business from such customers could materially affect financial performance.

(In Lakhs)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
New Customers	1,572.84	23.00%	1,763.69	26.95%	530.23	15.92%
Retained Customers	5,265.58	77.00%	4,780.66	73.05%	2,800.38	84.08%

5. **A substantial portion of our raw materials is sourced from a limited number of suppliers, substantially all of whom are located in the State of Punjab. Any disruption in supply, any increase in prices, or the inability of these suppliers to meet our requirements, may adversely affect our operations.**

The Company sources a significant portion of its raw materials and products from a limited number of suppliers. In Fiscal 2026, the top 3 suppliers accounted for 56.38% of total procurement, the top 5 suppliers for 66.95%, and the top 10 suppliers for 82.93%. In previous years, the top 3 suppliers contributed 74.57% in Fiscal 2025 and 62.12% in Fiscal 2024, while the top 10 suppliers contributed 98.51% and 98.29%, respectively.

This concentration exposes the Company to risks associated with the loss, disruption, or change in terms of key suppliers. Any interruption in the supply chain, increase in prices, or failure of these suppliers to meet quality and delivery standards could materially affect the Company's operations, production schedules, cost structure, and profitability. The Company's ability to diversify its supplier base and maintain strong relationships with key suppliers is critical to mitigating such risks.

(In Lakhs)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Top 3 Supplier	3,659.58	56.38%	4,666.10	74.57%	2,051.63	62.12%
Top 5 Supplier	4,345.59	66.95%	5,479.13	87.57%	2,679.15	81.12%
Top 10 Supplier	5,383.12	82.93%	6,164.19	98.51%	3,246.13	98.29%

The Company sources a significant portion of its raw materials from within the state of Punjab. All of the Company's raw material procurement in each of Fiscals 2026, 2025 and 2024 was domestic, with no imports. This geographical concentration exposes the Company to risks arising from regional economic, political or environmental developments. Any adverse events in Punjab, such as supply disruptions, natural disasters, regulatory changes or logistical challenges, could materially impact the Company's operations, production schedules and financial performance.

6. **We have reported negative cash flows from operating activities in each of Fiscals 2026, 2025 and 2024, aggregating ₹ 201.28 Lakhs, notwithstanding restated profit after tax aggregating ₹ 1,528.92 Lakhs over the same period. Any continuation of negative cash flows from operating activities could affect our business, results of operations and prospects.**

Our Company has reported negative cash flows from operating activities and from investing activities in each of the last three Financial Years as per the Restated Financial Statements, while cash flows from financing activities were positive in each of those years. The same are summarized as under:

(In Lakhs)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Net Cash from Operating Activities	(42.59)	(60.38)	(98.31)
Net Cash from Investing Activities	(1.44)	(315.85)	(33.53)
Net Cash from Financing Activities	14.40	429.92	135.99

Our negative cash flows from operating activities were principally on account of the build-up in inventories and trade receivables. Finished goods inventory increased from ₹ 363.94 Lakhs as at March 31, 2025 to ₹ 1,362.97 Lakhs as at March 31, 2026 and trade receivables increased from ₹ 861.35 Lakhs to ₹ 1,308.73 Lakhs over the same period, and our cash conversion cycle lengthened to 111 days in Fiscal 2026 from 64 days in Fiscal 2025. Cash flows from financing activities were positive at ₹ 14.40 Lakhs, ₹ 429.92 Lakhs and ₹ 135.99 Lakhs in Fiscals 2026, 2025 and 2024 respectively. There can be no assurance that our net cash flows from operating activities will be positive in the future.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further please refer chapter titled "***Restated Financial Information***" beginning on Page 165 of this Draft Red Herring Prospectus.

7. **We have not placed orders for the plant and machinery proposed to be purchased out of the Net Proceeds, and any delay or cost escalation in placing those orders may delay the implementation of the object of the Issue and increase our project cost.**

Of the estimated cost of the object described in "Objects of the Issue" on page 74 of this Draft Red Herring Prospectus, ₹ 853.58 Lakhs relates to plant and machinery. As on the date of this Draft Red Herring Prospectus we have not placed orders for any of that plant and machinery, being 100% in number and in value of the plant and machinery proposed to be acquired out of the Net Proceeds. Our estimates are based on quotations obtained from vendors, which are valid for 90 days from their respective dates and are liable to lapse before the Net Proceeds are received.

We have not entered into any definitive agreement with any of the vendors named in that section and we are not bound to purchase from them. The actual prices, specifications, taxes, freight, insurance and installation costs may differ from the amounts we have estimated, and the equipment may not be delivered within the time frame we contemplate. Any increase in cost, any delay in placing orders or in the receipt, installation and commissioning of the equipment, and any need to change a vendor or a specification, may delay the implementation of the object, require us to incur additional expenditure out of internal accruals or borrowings and adversely affect our operations and profitability.

The deployment of the Net Proceeds is based on our management's estimates and on our current business plan and has not been appraised by any bank, financial institution or other independent agency.

8. **The land on which we propose to set up the electrical furnace to be funded out of the Net Proceeds is not owned by us and is held under a short-term lease, and our inability to renew that lease could adversely affect the object of the Issue.**

We propose to set up an electrical furnace on 4,111 square yards at VPO Paddi, Hadbast No. 256, Sub-Tehsil Dehlon, Ludhiana, Punjab – 141206. That land is not owned by our Company. It is held on rent from Mr. Sparsh Kumar under a rent agreement for a term of 11 months valid up to May 4, 2027 at a monthly rent of ₹ 75,000. A part of the Net Proceeds is proposed to be applied towards civil works and towards the installation of plant and machinery on that land.

The term of the lease is shorter than the useful life of the assets we propose to construct and install on the land. The lease may not be renewed on its expiry, or may be renewed on terms less favourable to us. If we are required to vacate the land, we may be unable to relocate the furnace or to recover the expenditure incurred on civil works, and the object of the Issue may not be achieved in the manner or within the time contemplated. For further details, see "Our Business" on page 109 and "Objects of the Issue" on page 74 of this Draft Red Herring Prospectus.

9. **The Restated Financial Statements included in the Offer Document have been prepared and examined by an independent Chartered Accountant, who is other than our Statutory Auditor and subject to peer review, and any differences in their respective roles or observations may affect the presentation of our financial information.**

The Restated Financial Statements included in the Offer Document have been prepared by our management from the audited financial statements and examined/reported upon an independent Chartered Accountant who is other than our Statutory Auditor and has undergone the peer review process of the ICAI and holds a valid peer review certificate issued by the Peer Review Board of the ICAI. In accordance with Part A of Schedule VI of the SEBI ICDR Regulations, the restated financial information forming part of the Offer Document is required to be certified by auditors/Chartered Accountants who satisfy the applicable peer review requirements.

The Restated Financial Statements involve adjustments and regroupings to the audited financial statements in accordance with the SEBI ICDR Regulations and the applicable ICAI Guidance Note. Any errors, omissions, misstatements or deficiencies in the

underlying audited financial statements or in the process of restatement, whether identified before or after the Issue, may result in revisions to the financial information presented in the Offer Document. Such revisions could adversely affect our reported financial performance, financial position and other financial metrics and, consequently, investors' assessment of our Company and the price of our Equity Shares.

Further, the examination of the Restated Financial Statements is undertaken for the purpose of reporting on the financial information proposed to be included in the Offer Document and should not be construed as a separate audit of the underlying financial statements beyond the scope prescribed under the applicable regulations and professional guidance.

10. **We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the issue proceeds may delay the implementation schedule.**

Our requirements for proposed funds for our expansion as described in the section titled "Objects of the Issue" is to be funded from the proceeds of this IPO. Other than this offering, we have not identified any alternate source of funding and any delay or failure to mobilize the required funding or any shortfall in the issue proceeds may delay the implementation schedule. Further, we cannot provide any assurance that we would be able to execute our plans/strategy within the given timeframe. For details, kindly refer to the chapter titled "Objects of the Issue" on page 74.

11. **The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of our Company.**

The deployment of funds raised through this Issue will not be monitored by any independent agency and will be entirely at the discretion of the management and the Board of Directors of our Company. Since the Issue size is below ₹5,000 Lakhs, there is no mandatory requirement to appoint an Independent Monitoring Agency to oversee utilization of the proceeds. For further details please refer to "Object of the Issue" on page 74 of this Draft Red Herring Prospectus.

Any inability to effectively deploy the Issue proceeds in accordance with the objects of the Issue could adversely affect our financial position.

12. **Volatility in the prices and availability of raw materials may adversely affect our business and results of operations.**

Our Company relies on cast iron scrap, mild steel plates and scrap, mild steel rounds for manufacturing power press machines and tooling. The type and quantity of inputs vary by model, tonnage band and order scope. These raw materials and components are procured from external suppliers and account for a material portion of total production cost.

Prices of steel, castings, forgings and components may change due to market volatility, duties, logistics constraints or supply chain disruptions, which can increase production cost. While price increases may be passed on through contracts, there is no assurance of full or timely recovery. Shortage, delayed delivery or quality reduction in any of the above inputs can affect production schedules, factory acceptance tests, dispatch timelines, sales and profitability, and may result in rework, or liquidated damages where applicable.

A prolonged increase in input prices, or a disruption in the supply of the forgings and other bought-out components that we procure from third-party vendors, may also increase our production costs and lengthen our lead times. Because we manufacture to order and price an order when it is accepted, we may be unable to pass on such an increase on orders already booked, and any resulting failure to meet our delivery commitments could expose us to liquidated damages, order cancellations and a loss of customer confidence.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

13. **Absence of Keyman Insurance for our Promoter and Key Management Personnel may expose us to business continuity and operational risks.**

The company is unable to obtain Keyman Insurance for Mr. Jagdev Singh due to his senior-citizen status. As a result, in the event of any unforeseen or adverse incident affecting him, the company would not have insurance protection to mitigate the financial or operational disruptions that may arise. This lack of coverage may expose the company to heightened operational, managerial, and continuity risks, potentially impacting its stability and future performance.

14. **Our lenders have a charge over our plant and stock in respect of loans/facilities availed by us.**

We have availed a cash credit limit to aid our working capital requirements, this creates a charge against our plant and stock, plant being situated at VPO Paddi, Hadbast No. 254, Near Radhesham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206.

In the event we default in repayment of the aforesaid borrowings, together with any interest, costs, charges, or other monies payable to the bank, our lenders may enforce their rights under the financing documents and take possession of, and dispose of, the secured properties and assets. This could materially and adversely affect our operations and financial condition. For further details on our secured borrowings and financial indebtedness, please refer to the chapter titled **"*Statement of Financial Indebtedness*"** beginning on page 167 of this Draft Red Herring Prospectus.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

15. **We have significant working capital requirements, and our inability to meet them may materially and adversely affect our business, financial condition, and results of operations.**

Our business requires substantial working capital, primarily driven by inventory, and trade receivables. As per the restated financials, our net working capital requirements have increased over the years in line with revenue growth, resulting in higher inventory levels and increased receivables. Any delays or defaults in collection from customers could further elevate our working capital needs.

Meeting these requirements depends on the timely realization of receivables, availability of cash, and access to financing. Inability to manage working capital efficiently may necessitate additional funding, which could be costly and adversely affect our profitability and operational flexibility. Moreover, any shortage of working capital could limit our ability to procure raw materials, produce goods, or fulfil customer orders, thereby materially impacting our business operations.

We currently fund our working capital requirements through a combination of borrowings, and internal accruals. Any constraints in these funding sources, or an increase in working capital needs beyond our projections, could have a material adverse effect on our business, results of operations, and financial condition.

For further details please refer to chapter "***Statement of Financial Indebtedness***" on page 167 of this Draft Red Herring Prospectus.

16. **Any errors or non-compliance in Income Tax filings of Our Promoters or Key Management Personnel may result in regulatory scrutiny and adversely affect the Company.**

The income tax returns and other related filings of our promoters and certain members of our management personnel may be subject to errors, omissions, or differences in interpretation of applicable tax laws and regulations. If any such filings are found to be inaccurate, incomplete, or non-compliant, the concerned individuals may be subject to notices, inquiries, assessments, reassessments, penalties, interest, or other proceedings initiated by the income tax authorities in the future.

Any adverse findings, ongoing proceedings, or enforcement actions against our promoters or management personnel could result in reputational risk to the Company and may also divert the time and attention of key managerial personnel from their regular responsibilities. Further, such matters may necessitate additional disclosures, representations, or remedial actions by the Company, which could affect investor perception. Accordingly, any inaccuracies or non-compliance in income tax filings of our promoters or management personnel could have an adverse effect on our business, reputation, and operations.

17. **Our cupola furnace was operated for a period before the consents to operate under the Air Act and the Water Act were obtained. Any action by the Punjab Pollution Control Board in relation to that period could result in monetary penalties, directions for closure and interruption to our casting operations.**

    Our casting operations are carried out through a cupola furnace which, as per our fixed asset register, was capitalised on November 28, 2024, and from which we commenced production during Fiscal 2025. Our Company holds a Consent to Operate (Air) and a Consent to Operate (Water), each issued by the Punjab Pollution Control Board on February 12, 2026 and each valid until February 12, 2028. Each of those consents was issued as a fresh consent and not as a renewal of an earlier consent. Accordingly, our cupola furnace was operated for a period of approximately fourteen months before the consents to operate were granted.

    Operating an industrial plant without the prior consent of the State Pollution Control Board is a contravention of the Air Act and the Water Act. Such contraventions may attract monetary penalties and directions for the closure, prohibition or regulation

of the operations concerned, including stoppage of the supply of electricity and water. The subsequent grant of a consent to operate does not necessarily regularise the earlier period.

As on the date of this Draft Red Herring Prospectus, we have not received any notice or direction from the Punjab Pollution Control Board in this regard. However, there can be no assurance that no proceedings will be initiated in relation to the period prior to February 12, 2026, or that any such proceedings will be decided in our favour. Any penalty or direction affecting our casting operations, on which we depend substantially for our castings requirements, could adversely affect our business, results of operations and financial condition. Consents will also be required for the induction melting furnace proposed to be installed out of the Net Proceeds, and any delay in obtaining them may delay implementation of the object of the Issue.

18. **Our business is dependent on our manufacturing facility, and any disruption may adversely affect operations.**

Our business is primarily dependent on our sole manufacturing facility located in Punjab. The loss of, or any prolonged disruption to, operations at this facility could have a material adverse effect on our business, financial condition, and results of operations. For further details please refer to the chapter "***Our Business***" on page 109 of this Draft Red Herring Prospectus.

This facility is central to our production process, and any operational issues, including equipment breakdowns, machinery failure, obsolete technology, industrial accidents, or regulatory non-compliance, could negatively impact production levels and efficiency. Additionally, our results of operations are dependent on the successful and uninterrupted functioning of this facility.

In the event of a disruption, there can be no assurance that we would be able to procure products or manufacturing capacity from third parties in a timely manner, which could affect our ability to meet customer orders, reduce profitability, and potentially result in the loss of customers. While we take precautions to minimize operational risks, our business, financial condition, and results of operations may still be adversely affected if any of the above risks materialize.

Our operations are, in addition, concentrated in a single region. Adverse developments affecting the State of Punjab or the Ludhiana region, including a regional economic downturn, changes in State legislation, policy or taxation, civil unrest, severe weather, floods, earthquakes or other catastrophic events, and any consequential interruption to the supply of power, to transport or to the availability of labour, could materially disrupt our operations, and we may not be able to recover the resulting losses through insurance or otherwise. For further details, see "Our Business" on page 109 of this Draft Red Herring Prospectus.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

19. **Lack of long-term agreements with customers may affect our business**

We generally do not enter into long-term contracts with our customers. While this approach allows us the flexibility to respond to changing market demand and adjust pricing, it also exposes us to revenue volatility. Although certain customers make regular purchases from us, there can be no assurance that they will continue to do so in the future. If our customers reduce or cease purchases, or if we are unable to sell our products at competitive prices, our business, financial condition, and results of operations may be adversely affected.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

20. **Our revenue is order-driven and is recognised on dispatch, which makes our results of operations uneven between periods and not necessarily comparable.**

Our business is not materially seasonal. Order inflow is driven by the capital expenditure and replacement cycles of the industries we serve rather than by season. However, because we manufacture to order and recognise revenue on dispatch following factory acceptance testing, our revenue in any period depends on the number, the size and the stage of completion of the orders executed in that period.

A large order dispatched at the end of a period, or a delay in factory acceptance testing or in dispatch, can cause our revenue and profitability to vary significantly between periods. Our results of operations for any period should therefore not be relied upon as an indication of our results for a full financial year or of our future performance. For further details, see "Our Business " on page 109 of this Draft Red Herring Prospectus.

21. **We face competition from organized, unorganized as well as international players.**

Our industry is competitive and fragmented, comprising organized domestic manufacturers, unorganized local fabricators, and international suppliers across metal-forming equipment segments. We compete on price, delivery, features, service support and compliance. Imports and currency or duty movements may influence landed costs and buyer preferences.

Competitive intensity in target sectors can lead to pricing pressure, lower conversion rates and higher selling and service costs. Competitors with lower input costs, larger scale, wider product ranges, or stronger distribution and after-sales networks may affect our ability to attract new orders, retain customers and maintain margins. Warranties, financing options or bundled automation offered by rivals can alter procurement outcomes. Any sustained loss of competitiveness could adversely impact our order book, capacity utilization, cash flows and results of operations.

Please refer to the chapter "***Our Business***" on page 109 of this Draft Red Herring Prospectus.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

22. **We have made certain erroneous or deficient filings with the Registrar of Companies, and certain of our statutory filings were made after the prescribed due dates and on payment of additional fees, which may attract penalties and regulatory scrutiny and may affect our reputation.**

Our Company has identified the following errors in its filings with the Registrar of Companies under the Companies Act, 2013 and file an Application for Adjudication on July 08, 2026:

(a) The subscription money against shares subscribed to the Memorandum of Association was not deposited in the manner prescribed under Section 10A, and the declaration for commencement of business in Form INC-20A may accordingly be treated as non-compliant.
(b) The number of shares stated in the list of shareholders in the return of allotment (Form PAS-3) dated March 27, 2023, filed under Section 39, has been incorrectly stated and requires rectification.
(c) The certified true copy pertaining to our rights issue, dated March 27, 2023, incorrectly refers to Section 42 (private placement) instead of Section 62 (further issue of capital) of the Companies Act, 2013.

Our Company, together with its officers in default, has filed a joint application dated July 17, 2026 before the Regional Director (Northern Region), Ministry of Corporate Affairs, under Section 441 of the Companies Act, 2013, for compounding of the following inadvertent non-compliances identified across Fiscals 2022, 2023 and 2024:

(a) omissions and inconsistencies in disclosures forming part of our financial statements — the omission of the fixed assets schedule (Fiscal 2022), the omission of the depreciation schedule and of the promoter shareholding disclosure (Fiscal 2023), and the reflection of secured long-term and short-term borrowings as unsecured in the corresponding annexure (Fiscal 2024) — in non-compliance with Section 129(1) read with Schedule III and Rule 3 of the Companies (Accounts) Rules, 2014;
(b) the inclusion of the appointment of Directors under ordinary business, instead of special business, without annexing the requisite explanatory statement, in the notice convening our Annual General Meeting for Fiscal 2022, in non-compliance with Sections 101, 102 and 152 of the Companies Act, 2013; and
(c) an incorrect statement of the number of board meetings in our annual return (Form MGT-7) for Fiscal 2023, which did not match our minutes book, in non-compliance with Section 92 of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014.

The application, made under Sections 92, 102, 129(1), 134 and 448 of the Companies Act, 2013, is currently pending. We cannot assure you that it will be allowed, that the compounding sum or penalty imposed will not be material, or that the relevant authority will not take an adverse view, any of which could result in financial liability and adversely affect our business and reputation.

Separately, our Company has in the past made certain allotments of Equity Shares for which complete supporting documentation was not available for verification in the records maintained with the Registrar of Companies, and a number of our statutory filings were made after the due dates prescribed under the Companies Act, 2013, on payment of additional fees.

Details of those filings are set out below:

S. No	Period	Particulars	Steps taken
1	2023-24	Form CHG-4 (SRN AA4560191) – event dated July 20, 2023, due August 19, 2023	Filed on September 14, 2023 with additional fees

2	2024-25	Form MGT-14 (SRN AA9661707) – event dated June 15, 2024, due July 14, 2024	Filed on August 09, 2024 with additional fees
3	2024-25	Form INC-27 (SRN AA9915817) – event dated July 24, 2024, due August 09, 2024	Filed on August 22, 2024 with additional fees
4	2023-24	Form DPT-3 (SRN AA8967771) – event dated March 31, 2024, due June 30, 2024	Filed on July 03, 2024 with additional fees
5	2025-26	Form PAS-6 (SRN AB2408846) – event dated September 30, 2025, due November 30, 2025	Filed with additional fees
6	2025-26	Form MGT-14 (SRN AB8174252) – event dated September 18, 2025, due October 17, 2025	Filed on October 28, 2025 with additional fees
7	2021-22	Form DPT-3 (SRN AC2613405) – event dated June 30, 2022, due June 30, 2022	Filed on March 12, 2026 with additional fees
8	2022-23	Form DPT-3 (SRN AC2627172) – event dated June 30, 2023, due June 30, 2023	Filed on March 12, 2026 with additional fees

We cannot assure you that the Registrar of Companies or any other authority will take the same view of these filings as we have, or that penalties, additional fees or other action will not be imposed on our Company or on our officers in default, which could divert management attention, result in monetary liability and affect our ability to raise funds in the future.

23. **We require certain approvals, licences, registrations and permits for our business, certain of which are pending as on the date of this Draft Red Herring Prospectus, and any failure to obtain or renew them in a timely manner, or to comply with their terms, may adversely affect our operations.**

The Company has applied for licences, registrations and approvals required under applicable industrial, safety and environmental regulations for its manufacturing operations. Certain applications are pending for approval and are subject to review by the relevant authorities. There can be no assurance that such approvals will be granted in the expected timelines or on terms consistent with our operating plans. Any delay, refusal, suspension or imposition of additional conditions on required licences or approvals may delay work and hinder with timelines, adversely affecting project schedules, cost structure, cash flows, results of operations and overall business performance. The Company has applied for the following key approvals and licenses that are still pending:

S. No.	Nature of Registration/ License	Application No.	Issuing Authority	Date of Application
1.	Shop And Commercial Establishment	2607875833	Department of Labour, Government of Punjab	July 28, 2026

We shall also be required to renew our existing registrations, licences, permits and approvals from time to time, and to apply for further approvals as our operations expand or as our products or processes change, including in connection with the electrical furnace proposed to be set up out of the Net Proceeds. There can be no assurance that the relevant authority will issue or renew any such approval within the time frame anticipated by us, or at all.

Certain of the statutory licences and approvals that we hold contain terms, conditions and covenants which have to be adhered to. If we fail to comply with them, or if any approval is suspended, revoked or renewed on terms unfavourable to us, we may be subject to penalties, our operations may be interrupted and our business, financial condition and results of operations may be adversely affected.

24. **Our business is dependent on the availability of adequate and uninterrupted supply of electrical power at reasonable costs.**

Our operations require a consistent supply of electricity, and any disruption, shortage, or increase in the cost of these essential utilities could restrict our ability to operate at full capacity, thereby adversely affecting our business, financial condition, and results of operations. Further, our reliance on captive or third-party power supply exposes us to risks such as operational failures, accidents, or price fluctuations, which may impact our profitability. For further details please refer to the chapter "***Our Business***" and "***Government and other approvals***" on page 109 and 191 of this Draft Red Heering Prospectus.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

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

Our Company is exposed to strikes and other industrial actions. As on the date of this Draft Red Herring Prospectus, our Company has 11 full-time employees including KMP and Directors. For further details please refer to chapter "***Our Business***" on page 109 of this Draft Red Herring Prospectus. At present, we enjoy a good relationship with our employees. However, there can be no assurance that we may not experience disruptions in our operations due to disputes or other problems with our work force such as strikes, work stoppages or increased wage demands that may adversely affect our business and results of operations.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

26. **Changes in technology, or our inability to identify, understand and cater to evolving industry trends and customer requirements, may render our current technologies obsolete or require us to make substantial capital investments.**

Modernisation and technology upgradation is essential in our industry to reduce costs and increase productivity. With latest technology and advancement of methods and machineries, our existing technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we strive to keep our technology, plant and machinery in line with the latest technological standards, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations. For further Details please refer to chapter "***Our Business***" on page no 109 of this Draft Red Herring Prospectus.

Our inability to identify, understand or cater to evolving requirements in metal forming such as higher safety standards, automation interfaces, data logging, energy efficiency, and application-specific tooling, may adversely affect our business. Competitors or importers may introduce updated press designs earlier, or at lower cost. If we are unable to translate customer feedback and regulatory changes into timely design updates, acceptance criteria, and validated trials, products may face delayed approvals or limited market acceptance. Frequent shifts in demand by end-use sectors require flexible engineering, sourcing, and production planning; inaccurate forecasting or extended development cycles can increase costs, elongate lead times, and reduce margins, thereby impacting our order book, cash flows, and results of operations.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

27. **If we are unable to manage our growth effectively or if our estimates or assumptions used in developing our strategic plan are inaccurate or we are unable to execute our strategic plan effectively, our business and prospects may be materially and adversely affected.**

Our revenue and business operations have grown in recent years, and while we plan to continue expanding our scale of operations, there can be no assurance that we will be able to sustain such growth rates in the future. Our ability to grow depends on several factors, including our execution capabilities, our ability to retain existing suppliers and enter into new supplier agreements, maintain customer satisfaction, mobilize adequate working capital, manage operating costs, and respond to competition in both organized and unorganized segments. Additionally, macroeconomic factors beyond our control, such as a slowdown in global economic conditions, may adversely affect our growth. Our revenue from operations increased by 96.49% from ₹ 3,330.61 Lakhs in Fiscal 2024 to ₹ 6,544.35 Lakhs in Fiscal 2025 and by 4.49% to ₹ 6,838.42 Lakhs in Fiscal 2026, and our restated profit after tax increased by 143.32% from ₹ 206.20 Lakhs in Fiscal 2024 to ₹ 501.72 Lakhs in Fiscal 2025 and by 63.64% to ₹ 821.00 Lakhs in Fiscal 2026. These rates of growth are not indicative of our future performance, are not necessarily comparable across periods and may not be sustained. Our revenue from operations grew by only 4.49% in Fiscal 2026 as against 96.49% in Fiscal 2025, and any decline in, or reversal of, our rates of growth in revenue from operations or in profit after tax could adversely affect our business, results of operations, financial condition and the price of our Equity Shares.

Our development and expansion strategies require substantial managerial efforts and skills, along with the incurrence of additional expenditures, which may expose us to new or increased risks. We may not be able to efficiently implement our growth strategies or manage the expansion of our operations, and any failure in this regard could limit future growth and adversely affect our business. We may be required to incur additional debt to meet immediate capital requirements, potentially resulting in unfavourable financial ratios. The funds required for our growth and their deployment are based on management estimates and assumptions considering the current market scenario and are subject to revision due to changes in external circumstances or costs. If we are unable to execute our strategic plans successfully, or if the assumptions underlying these plans prove materially inaccurate, our business, results of operations, and financial condition may be adversely affected.

Our growth also depends on the successful implementation of the business strategies described in "Our Business" on page 109 of this Draft Red Herring Prospectus. We may not be able to execute those strategies within the time or at the cost envisaged, or at all, on account of factors including competition, the availability of capital and of skilled personnel, delays in commissioning new capacity and changes in market conditions, and our past performance is not indicative of our ability to do so.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

28. **Our success depends largely upon the services of our Directors, Promoter and other Key Managerial Personnel and our ability to attract and retain them.**

Our success is substantially dependent on the expertise and services of our Directors, Promoter and our Key Managerial Personnel. They provide expertise, which enables us to make well informed decisions in relation to our business and our future prospects. For further details of our directors and key managerial personnel, please refer to the chapter "**Our *Management*** "on page 146 of this Draft Red Herring Prospectus. The loss of such key members of our management team and the failure of any succession plans to replace such key members could seriously impair the ability to continue to manage and expand the business efficiently.

Our business is also dependent on an experienced senior management team, whose industry experience, relationships with customers and suppliers and knowledge of our manufacturing processes would be difficult to replace. The loss of any member of our management team or of our Key Managerial Personnel could delay or prevent the achievement of our business objectives and divert management attention while a replacement is identified and integrated.

In addition, our operations require engineers, machinists, fabricators, welders and other skilled personnel. Competition for such personnel in the Ludhiana industrial belt is significant and we may be unable to attract, train, motivate or retain them on compensation terms consistent with our existing structures, and some of our competitors have greater resources with which to do so. Any failure to retain qualified personnel could increase our hiring and training costs and affect our operational efficiency and our delivery performance.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

29. **Our Promoters in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.**

Our Promoters have interests in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Summary of Related Party Transactions" on page 50 and Annexure 30 – Related Party Disclosures to the Restated Financial Information of this Draft Red Herring Prospectus.

30. **Our Directors have extended personal guarantees in connection with some of our debt facilities. There can be no assurance that such personal guarantees will be continued to be provided by our Promoters/Directors in future or can be called at any time, affecting the financial arrangements.**

Our Directors have provided personal guarantees for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, the financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Directors/Promoters in connection with our Company's borrowings. For further details please refer to the chapter "***Statement of Financial Indebtedness***" on page 167 of this Draft Red Herring Prospectus.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

31. **The average cost of acquisition of Equity Shares by our Promoters may be lower than the Issue Price.**

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price of the shares proposed to be offered though this Draft Red Herring Prospectus. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer to Draft Abridged Prospectus.

Our Company has issued Equity Shares during the last twelve months at a price which may be lower than the Issue Price.

Our Company allotted 4,00,000 Equity Shares on December 31, 2025 at a price of ₹ 83 per Equity Share and 4,50,000 Equity Shares on January 23, 2026 at a price of ₹ 10 per Equity Share, in each case on a rights basis to its then existing shareholders, and allotted 30,00,000 Equity Shares by way of a bonus issue on December 20, 2025. The price at which those Equity Shares were allotted may be lower than the Issue Price.

The Issue Price bears no relationship to, and is not based on, the price at which those allotments were made. Investors subscribing in the Issue may therefore acquire Equity Shares at a price significantly higher than the price paid by our existing shareholders in the twelve months preceding this Draft Red Herring Prospectus. For further details, see "Capital Structure" on page 63 and "Basis for Issue Price" on page 90 of this Draft Red Herring Prospectus.

32. **If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected.**

We rely on our intellectual property for the success of our business, which comprises one domain name and one trademark application. Our application for registration of the wordmark "Bhagya Machine Tools" in Class 7, bearing Application No. 7373788 dated December 1, 2025, is pending and is presently at the "Ready for Examination" stage. We cannot assure you that the mark will be registered, or that the application will not be objected to on examination or opposed by third parties after advertisement. Until registration is granted, we do not enjoy the statutory protections available to a registered proprietor under the Trade Marks Act, 1999 and would be required to rely on an action for passing off. Our domain name, bhagyamachinetools.com, is registered until November 3, 2026, and we cannot assure you that we will be able to renew it after expiry. While we intend to defend against any threats to our intellectual property, we cannot assure that our intellectual property rights can be adequately protected in a timely manner. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could expose us to substantial risks and costs. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, financial conditions, cash flows and future prospects.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. If such claims are raised against us in the future, they could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease use of certain of our brands, can result in significant damages being awarded and injunctions that could prevent us from offering our products. In addition, there is no assurance that steps taken by us to protect our intellectual property rights will be adequate to stop infringement by others, including imitation and misappropriation of our brand. Any of the foregoing could have an adverse effect on our business, results of operations, financial conditions, cash flows and future prospects.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

33. **We are exposed to the risk of delays or non-payment by our clients and other counterparties, including on account of disputes over product quality, performance or delivery, which may result in payments being withheld and in cash flow mismatches.**

We are exposed to counterparty credit risk in the usual course of our business dealings with our clients or other counterparties who may delay or fail to make payments or perform their other contractual obligations. The financial condition of our clients, business partners, suppliers and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions. We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect the whole or any part of any overdue payments. Any material non-payment or non-performance by our clients, business partners, suppliers or other counterparties could affect our financial condition, results of operations and cash flows. For further details of our business and clients, please see

"***Our Business"*** and "***Management Discussion & Analysis of Financial Conditions and Result of Operation***" of this Draft Red Herring Prospectus.

We serve industrial enterprises, manufacturers and institutional clients who require customised power press machines. Although we seek to agree specifications and acceptance criteria before an order is taken up, any failure on our part to meet the agreed quality standards or service expectations could lead to customer dissatisfaction, to disputes and to payments being delayed or withheld. Any such dispute may require us to undertake rework or to replace equipment at our cost, may delay the realisation of our receivables and may strain our relationship with the customer concerned, and could adversely affect our cash flows, our reputation and our ability to secure repeat orders.

34. **Exposure to cyclical reductions in capital expenditure by end users may affect order inflow, factory loading, and capacity utilisation.**

Demand for hydraulic presses is linked to capital expenditure and replacement cycles in automotive, electrical equipment, appliances, metal fabrication and general engineering. A slowdown in these sectors—whether due to weaker end-user sales, inventory corrections, or deferral of new programmes—can reduce enquiries, delay order finalisation and increase order cancellations or scope reductions. Lower factory loading reduces absorption of fixed costs across engineering, fabrication, machining and assembly, increasing unit costs and compressing margins on fixed-price contracts. Weaker order intake can also lengthen the working-capital cycle as inventories of raw materials and work-in-process remain on the floor for longer, and receivable realisation shifts with postponed factory acceptance tests and dispatches.

35. **There are outstanding legal proceedings involving our Company and one of our Directors. Any adverse outcome in these proceedings could divert management attention, result in monetary liability and adversely affect our reputation, business and financial condition.**

As on the date of this Draft Red Herring Prospectus, the following proceedings are outstanding. An action by a tax authority is pending against our Company: The Income Tax Officer, Ludhiana issued a demand recovery notice dated August 18, 2025 for ₹ 31,18,080 in respect of Assessment Year 2024-25, to which our Company filed a reply dated July 22, 2026 stating that the amounts had already been deposited and requesting the Department to update its records. A response from the Department is awaited.

Two applications have been filed by our Company on a suo motu basis: a compounding petition before the Regional Director (Northern Region) under Section 441 of the Companies Act, 2013 in respect of procedural defaults in the financial statements and annual filings for Fiscals 2022, 2023 and 2024; and an adjudication application before the Registrar of Companies, Punjab and Chandigarh under Section 454 of the Companies Act, 2013 in respect of a default under Section 10A and an error in Form PAS-3 filed on March 27, 2023. The indicative aggregate penalty sought in the adjudication application is ₹ 1,25,000 on our Company and ₹ 75,000 on each officer-in-default, after applying the relief available to a small company under Section 446B of the Companies Act, 2013.

A proceeding under Section 12 of the Protection of Women from Domestic Violence Act, 2005 is pending against Mr. Vikas Arora, one of our Independent Directors, before the Judicial Magistrate First Class, Ludhiana. The proceeding does not involve our Company and is not quantifiable in monetary terms.

A summary of the outstanding proceedings, with the amount involved where quantifiable, is set out below:

Nature of proceedings	Number of proceedings	Amount involved (₹ in Lakhs)
Proceedings against our Company – taxation	1	31.18
Proceedings against our Company – criminal	Nil	Nil
Proceedings against our Company – actions by statutory or regulatory authorities	Nil	Nil
Applications filed by our Company under Sections 441 and 454 of the Companies Act, 2013	2	1.25*
Proceedings against our Directors – other material proceedings	1	Not quantifiable
Proceedings against our Promoters	Nil	Nil
Other material civil proceedings	Nil	Nil
Total	**4**	**32.43**

**Being the indicative penalty sought on our Company in the adjudication application after applying the relief available to a small company under Section 446B of the Companies Act, 2013. An indicative penalty of ₹ 0.75 Lakhs on each officer-in-default has*

additionally been sought and is not included in the amount above. The proceeding under Section 12 of the Protection of Women from Domestic Violence Act, 2005 against Mr. Vikas Arora does not involve our Company and is not capable of being quantified in monetary terms.

We cannot assure you that these proceedings will be decided in favour of our Company or the Director concerned, that further penalties or interest will not be levied, or that similar proceedings will not arise in the future. For further details, see "***Outstanding Litigations and Material Developments***" on page 185 of this Draft Red Herring Prospectus.

36. **We cannot assure you that we will be able to secure adequate financing in future on acceptable terms, in time, or at all.**

We may require additional funds in connection with future business expansion and development initiatives. In addition to our existing available funds, we may need additional sources of funding to meet our future requirements, which may include entering into new debt facilities with lending institutions or raising additional debt in the capital markets. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants. Such financings could cause our debt-to-equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of any of our business development plans and this may affect our business and future results of operations.

37. **Upon completion of the Issue, our Promoters / Promoter Group may continue to retain significant control, which will allow them to influence the outcome of matters submitted to the shareholders for approval.**

Upon completion of the Issue, our Promoters and Promoter Group are expected to collectively hold approximately **[●]** % of the total post-issue Equity Shares. This concentration of ownership will allow them to exercise significant influence over matters requiring shareholder approval, including the election of Board members in accordance with the Companies Act and our Articles of Association.

Such a high level of control may delay, prevent, or deter strategic decisions that could be beneficial to the Company or effect a change in control for the benefit of other stakeholders. Furthermore, our Promoters may influence the Company's decisions in a manner that could conflict with the interests of the Company, its creditors, or minority shareholders, and we cannot assure that such actions will not adversely affect our future financial performance or the price of our Equity Shares.

38. **Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.**

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see ***"Dividend Policy"*** on page 164 of this Draft Red Herring Prospectus.

Although, Our Company has not declared or paid any dividend as of the date of this Draft Red Herring Prospectus.

39. **Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.**

Any future equity issuance by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

We may also require additional capital from time to time to fund our business requirements. Any further issue of Equity Shares or of convertible securities would dilute the shareholding of our existing shareholders, and any additional borrowing would increase our debt servicing obligations and may impose further covenants restricting our operations, in each case to the prejudice of the

interests of our shareholders. We cannot assure you that such capital will be available to us on terms acceptable to us, in time, or at all.

For further details of allotments, please refer to the chapter titled "***Capital Structure***" on page 63 of this Draft Red Herring Prospectus.

40. **Stringent environmental, health and safety laws and regulations or stringent enforcement of environmental, health and safety laws and regulations may result in increased liabilities and capital expenditures and adversely affect our business, prospects, financial condition and results of operations.**

Our operations are subject to environmental, health and safety and other regulatory and/or statutory requirements in the countries in which we operate. Our operations may generate certain amounts of pollutants and waste, some of which may be hazardous in nature. The discharge, storage and disposal of such hazardous substances are subject to environmental regulations. The scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted. The costs and management time required to comply with these requirements could be significant. The measures we implement in order to comply with these new laws and regulations may not be deemed sufficient by governmental authorities and our compliance costs may significantly exceed our estimates. In addition, due to the possibility of unanticipated regulatory or other developments, the amount of future environmental expenditures may vary widely from those currently anticipated. Further, any environment related investments/expenditure may reduce funds available for other investments. There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up, remediation costs, as well as damages, temporary shutdown of operations and other liabilities and related litigation, may adversely affect our business, prospects, financial condition and results of operations.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

41. **Our inability to establish internal control systems could cause operational errors which may adversely affect our business.**

A critical piece of our growth strategy is to develop and maintain streamlined internal systems and processes in order to enhance efficiency and profitability. While we are constantly focused on optimizing our internal controls, any possible lapse in our control mechanism may lead to errors and anomalies that may impact our operations.

Our internal financial controls over financial reporting are based on the criteria established by our Company having regard to the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Any failure to establish and maintain an effective system of internal controls could result in errors or delays in recording and reporting transactions, could affect our ability to manage and report our financial risks accurately and on time, and could expose us to regulatory action and to a loss of investor confidence once we are listed.

42. **Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.**

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

Although, there have been no material events relating to this risk factor as of the date of this Draft Red Herring Prospectus, there can be no assure that such events may not occur in the future.

43. **Interest rate fluctuations may adversely affect the Company's business.**

The Company may enter into certain borrowing arrangements to finance its capital requirements in the ordinary course of business for general working capital purposes. In the event interest rates increase, the Company's costs of borrowing will increase, and its profitability and results of operations may be adversely affected.

For further details relating to interest rates, please refer to the chapter titled "Statement of Financial Indebtedness" on page 167 of this Draft Red Herring Prospectus.

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

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

45. **We have not commissioned an industry report for the disclosures made in the section titled "Our Industry" and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.**

We have neither commissioned an industry report, for the disclosures which need to be made in the section titled "Our Industry" beginning on page 99 of this Draft Red Herring Prospectus. We have made disclosures in the said chapter based on relevant industry related data available in the public domain. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the industry data mentioned in this Draft Red Herring Prospectus or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context.

46. **Our growth will depend on our ability to build our brand and failure to do so will negatively impact our ability to effectively compete in this industry.**

We believe that we need to continue to build our brand, which will be critical for achieving widespread recognition of our services. Promoting and positioning our brand will depend largely on the success of our marketing efforts and our ability to provide high quality services. The brand promotion activities that we may undertake may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in building our brand. If we are unable to promote and maintain our brand, our business, financial condition and results of operations could be adversely affected.

47. **Our directors do not have experience of a listed company and in the absence of such experience, it could adversely affect our corporate governance and business operations of our Company.**

In the realm of corporate governance and leadership, the experience of directors plays a crucial role in steering the course of a company. It is often perceived that directors with prior experience in listed companies bring invaluable insights, knowledge, and strategic acumen to the boardroom. Furthermore, the absence of listed company experience among directors may limit their ability to effectively oversee risk management frameworks and succession planning strategies. These oversight responsibilities are critical in mitigating operational risks, ensuring organizational resilience, and safeguarding against potential conflicts of interest or ethical lapses. Although our Company's board of directors is pivotal in shaping its strategic direction, ensuring regulatory compliance, and safeguarding stakeholder interests.

Further, our directors lack of direct experience in a listed environment may inadvertently expose the company to the risk of corporate governance and affect the business operation of our Company. For Further details, please refer to chapter titled "Our Management" beginning on Page 146 of this Draft Red Herring Prospectus.

Issue Related Risk Factors

48. **The market capitalization to revenue, market capitalisation to tangible assets, and enterprise value ("EV") to EBITDA, based on the Issue Price of our Company, may not be indicative of the market price of our Company on listing or thereafter.**

The market capitalization to revenue, market capitalization to tangible assets, and enterprise value (EV) to EBITDA ratios based on the Issue Price of our Company may not accurately reflect the market price of our equity shares upon listing or at any time thereafter. These valuation metrics are influenced by various factors, including prevailing market conditions, investor sentiment, and company-specific developments, which may not be directly related to our operational performance or financial results.

The Issue Price has been determined based on multiple qualitative and quantitative factors, including comparisons with peer companies, industry outlook, and feedback from investors during the book-building process. However, there is no assurance that these metrics will remain consistent post-listing, as they may fluctuate due to external factors such as broader market volatility, economic conditions, or changes in industry dynamics.

Any significant deviation of the market price of our equity shares from these valuation metrics may adversely affect investor confidence and could lead to volatility in the trading price of our equity shares, thereby impacting the market perception of our Company.

49. **You may be subject to Indian taxes arising out of capital gains on sale of Equity Shares.**

Under current Indian tax laws and regulations, capital gains arising from the sale of Equity Shares in an Indian Company are generally taxable in India. Any gain realized on the sale of listed Equity Shares on a stock exchange held for more than 12 months shall be subject to capital gains tax in India at 12.5% of such capital gain exceeding ₹ 1.25 lakh if Securities Transaction Tax (STT) has been paid on both acquisition and transfer of such shares. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at 12.5%. However, any gain realized on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India at 20%, where STT has been paid. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at the applicable normal tax rates, which may be relatively higher as compared to the transaction where STT has been paid in India. For more details, please refer to the section entitled "Statement of Special Tax Benefits" beginning on page 96 of this Draft Red Herring Prospectus.

50. **We cannot assure you that our equity shares will be listed on the BSE SME in a timely manner or at all, which may restrict your ability to dispose of the equity shares.**

Though we shall make best of our efforts to comply with all applicable regulatory, financial and operational requirements for getting the equity shares proposed to be offered through this Draft Red Herring Prospectus listed on BSE SME Platform in a time bound manner, yet on account of any change in applicable laws, economic conditions and/or any other reason/s beyond our control, the said shares may not get listed on the SME Platform of BSE Limited in a timely manner or at all, which may restrict your ability to dispose of the equity shares. However, even in such circumstances, the Company shall stay fully committed to pay such interest and/or refund the full application amount, as may be required in accordance with the applicable regulatory directives.

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

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

52. **After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.**

After listing permission and trading permission of equity shares have been granted, the price of the shares shall be driven by free market forces. The market price of a company's share is determined by the forces of supply and demand in the stock market. These forces are influenced by a variety of factors, including the company's financial performance, industry trends, economic conditions, and investor sentiment. When a company issues equity shares, it sets an issue price based on various factors such as the company's valuation, the prevailing market conditions, and the demand for its shares. However, the issue price is not necessarily indicative of the market price of the shares after the issue. Once the shares are listed on the stock exchange, their price is determined by the forces of supply and demand in the market. If there is strong demand for the shares, the price may rise above the issue price, and if there is weak demand, the price may fall below the issue price. Therefore, while the issue price of equity shares provides a starting point for the company's valuation, it is not necessarily a reliable indicator of the market price of the shares after the issue. Investors should carefully evaluate all relevant factors and information before making investment decisions in the stock market.

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

Following the Issue, we will be subject to a daily "circuit breaker" imposed by the Stock Exchange, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

The Issue Price of our Equity Shares has been determined by Book Built method. This price is being based on numerous factors (For further information, please see the section "Basis for Issue Price" of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

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

Under the Companies Act, a company constituted through share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction in which the investors are located do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

External Risk Factors

56. **If there is any change in laws or regulations, or their interpretation, such changes may significantly affect our financial statements or affect our conduct of operation.**

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the tax rate (on gross basis) for Indian companies. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

The Finance Act, 2020 ("Finance Act"), has, amongst other things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime. For instance, dividend distribution tax ("DDT") will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source.

Further, the Government of India has introduced the Finance Bill, 2023, in the Union Budget for Fiscal 2024. The Finance Bill, 2023 proposes various amendments to taxation laws in India. As such, there is no certainty on the impact that the Finance Bill, 2023 may have on our business and operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

The Indian indirect tax regime also continues to evolve. The goods and services tax implemented with effect from July 1, 2017 subsumed a number of central and State levies, and the rates, exemptions, input tax credit rules and compliance requirements under it have been revised from time to time and may be revised further. Any such revision, or any adverse interpretation by the tax authorities of the positions we have taken, could increase our tax burden and our cost of compliance and adversely affect our results of operations.

57. **Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.**

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.
We are required to comply with a wide range of central and State laws and regulations by reason of the nature of our business, including those governing factories, industrial safety, labour and employment, the environment, direct and indirect taxation and the manufacture and sale of engineering goods. Any change in these laws, or in the manner of their implementation or interpretation, or the introduction of new compliance obligations, may increase our cost of compliance, disrupt the flow of our operations and adversely affect our business.

58. **Any adverse change or downgrade in the Sovereign Ratings of India may adversely affect our business, results of operations and cash flows.**

Any adverse revisions to India's credit ratings international debt by international rating freight brokers may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

59. **Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.**

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

Any significant change in the Government of India's policies of economic liberalisation and deregulation, including in relation to industrial licensing, foreign investment, taxation, subsidies, tariffs or the regulation of manufacturing, could adversely affect business and economic conditions in India generally and our business, financial condition and results of operations in particular, and could also affect the market price of the Equity Shares.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

The Indian securities market and the Indian economy are also influenced by economic and market conditions in other countries, particularly other emerging market countries in Asia. Financial instability, adverse economic developments or volatility in the securities markets of those countries may cause increased volatility in the Indian securities market, may adversely affect the Indian economy and could cause the price of the Equity Shares to decline, in each case irrespective of our own performance.

61. **Natural calamities like epidemics, pandemic, or fire, war, terrorist attacks, civil riots or other events could materially and adversely affect our business.**

Natural disasters (earthquakes, floods, etc.), epidemics, pandemics, war, terrorist attacks and other events, which are beyond our control, may lead to economic instability, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations could also be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property. We cannot assure you that there will not be any such accidents in the future thereby causing an adverse effect. We cannot assure you that there will not be any such accidents in the future thereby causing an adverse effect on our business and operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

Our operations have previously been affected by such an event. The COVID-19 pandemic caused country-wide lockdowns and restrictions on travel and on business operations in India, which disrupted manufacturing activity, supply chains and customer demand across the industries we serve. We cannot assure you that a further outbreak of an infectious disease, or any similar event, will not require us to suspend or curtail operations at our manufacturing facility, or that it will not adversely affect the capital expenditure plans of our customers and consequently our order inflow.

62. **Adverse geopolitical conditions such as an increased tension between India and its neighbouring countries, Russia-Ukraine conflict, could adversely affect our business, results of operations and financial condition.**

Adverse geopolitical conditions such as increased tensions between India and its neighbouring countries, resulting in any military conflict in the region could adversely affect our business and operations. Such events may lead to countries including the Government of India imposing restrictions on the import or export of products or components, among others, and affect our ability to procure raw materials required for our business operations. We could also be affected by the introduction of or increase in the levy of import tariffs in India, or changes in trade agreements between countries. For instance, the government of India has imposed additional tariffs in the nature of countervailing duty and anti-dumping duty on a number of items imported from China. Any such measure or reciprocal duties imposed on Indian products by China or other countries may adversely affect our results of operations and financial condition. Further, prolonged Russia-Ukraine conflict that is currently impacting, inter alia, global trade, prices of oil and gas could have an inflationary impact on the Indian economy.

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SECTION III – INTRODUCTION

THE ISSUE

The following table summarizes the Issue:

Particulars	Details
Equity Shares Offered[(1)]	Up to 20,80,000 Equity Shares of face value of ₹10 each, aggregating up to ₹[●] Lakh.
Equity Shares of face value of ₹ 10/- each	
Of which:	
— Fresh Issue[(1)]	Up to 20,80,000 Equity Shares of face value of ₹10 each, aggregating up to ₹[●] Lakh.
— Offer for Sale	NA
Employee Reservation Portion	NA
Net Issue	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹[●] Lakh.
***Of which*:**	
(i) Issue Reserved for Market Maker	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakh.
(ii) Net Issue to the Public	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakh.
***Of which*:**	
A. QIB Portion[(2)(3)(4)]	Not more than [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹ [●] Lakh.
***Of which*:**	
(i) Anchor Investors Portion[(4)]	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹[●] Lakh.
Of which 40% of the Anchor Investor Portion shall be reserved in the following manner:	
- 33.33% of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds	Up to [●] Equity Shares aggregating up to ₹ [●] Lakhs
- 6.67% of the Anchor Investor Portion available shall be reserved for allocation to Life Insurance Companies and Pension Funds	Up to [●] Equity Shares aggregating up to ₹ [●] Lakhs
(ii) Net QIB Portion[@]	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakh.
Of which:	
(a) Mutual Fund Portion	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹[●] /- per Equity Share aggregating to ₹[●] Lakh.
(b) Balance QIB Portion for all QIBs including mutual Funds	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh.
B. Non-Institutional Investors[(2)(3)(4)]	At least [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakh.
Of which:	
One-third of the Non-Institutional Portion, available for allocation to Bidders with an application size more than 2 lots and up to such lots such that the value of the application is not more than ₹ 10 Lakhs	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh
Two-third of the Non-Institutional Portion, available for allocation to Bidders with an application size more than ₹ 10 Lakhs	Up to [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh
C. Individual Investor Portion[(2)(3)(4)#]	At least [●] Equity Shares of face value of ₹10/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakh.

Pre-and Post-Issue Equity Shares:	
Equity Shares Outstanding-Pre-Issue	48,50,000 Equity Shares of ₹10/- each
Equity Shares Outstanding-Post Issue*	[●] Equity Shares of ₹10/- each
Use of Issue Proceeds	For further details please refer to "***Objects of the Issue***" beginning on page 74 of this Draft Red Herring Prospectus for information on use of Issue Proceed.

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

#The minimum application size shall be two lots, provided that the minimum application size shall be above ₹ 2 Lakhs.

@Assuming Anchor allocation portion is fully subscribed.

(1) The Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on June 17, 2026 and by our Shareholders pursuant to a resolution passed at the EGM held on June 18, 2026, pursuant to Section 62(1)(c) of the Companies Act, 2013. This Issue is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our Company in terms of Regulation 229(1) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – Issue paid up equity share capital of our Company are being offered to the public for subscription.

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

(3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional Investor. In the event of oversubscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Individual Investor Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Individual Investor Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

(4) Our Company, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 40% of the Anchor Investor Portion shall be reserved for (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

(5) Our Company is not contemplating any pre-IPO placement of Equity Shares prior to the proposed Initial Public Offering. Accordingly, no amount or number of Equity Shares forming part of the proposed Issue will be reduced on account of any pre-IPO placement. In accordance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), the Company will make the prescribed disclosures, if any, in relation to any pre-IPO placement undertaken subsequent to the filing of this Draft Red Herring Prospectus. The Company has not undertaken any pre-IPO placement as of the date of this Draft Red Herring Prospectus and does not presently envisage undertaking any such placement prior to the proposed Issue.

For further details, see "***Issue Structure***", "***Issue Procedure***" and "***Terms of the Issue***" on pages 216, 222 and 207.

SUMMARY OF FINANCIAL INFORMATION

*The following tables set forth summary financial information derived from the Restated Financial Statements. The Restated Financial Statements have been prepared, based on financial statements for the period Fiscal 2026, Fiscal 2025, Fiscal 2024. The Restated Financial Statements have been prepared in accordance with Indian GAAP and the Companies Act, restated in accordance with the SEBI ICDR Regulations and are presented in the section entitled "**Financial Information**" on page 165 .*

*The summary financial information presented below should be read in conjunction with the chapters titled "**Restated Financial Information**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 165 and 169 respectively.*

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RESTATED STATEMENT OF ASSETS AND LIABILITIES

(In Lakhs unless otherwise stated)

	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2026	AS AT 31ST MARCH 2025	AS AT 31ST MARCH 2024
I	**EQUITY AND LIABILITIES**				
	1.SHAREHOLDERS FUNDS				
	a) Share Capital	**6**	485.00	100.00	100.00
	b) Reserves & Surplus	**7**	1,541.31	728.31	226.59
			2,026.31	**828.31**	**326.59**
	2. NON-CURRENT LIABILITIES				
	a) Long Term Borrowings	**8**	39.79	371.30	31.75
	b) Deferred Tax Liabilities (Net)	**9**	9.08	5.48	2.38
	c) Long term Provisions	**10**	3.86	3.20	-
			52.73	**379.99**	**34.13**
	3.CURRENT LIABILITIES				
	a) Short Term Borrowings	**11**	247.39	247.92	138.53
	b) Trade Payables				
	- total outstanding dues of micro enterprises and small enterprises	**12**	693.49	445.74	401.40
	- total outstanding dues of creditors other than micro enterprises and small enterprises.	**12**	104.38	53.99	99.85
	c) Other Current Liabilities	**13**	96.26	44.12	4.65
	d) Short Term Provisions	**14**	115.33	99.45	40.51
			1,256.86	**891.23**	**684.94**
		TOTAL	**3,335.89**	**2,099.53**	**1,045.65**
II	**ASSETS**				
	1.NON CURRENT ASSETS				
	a) Property, Plant & Equipment & Intangible Assets				
	-Property, Plant and Equipment	**15**	386.30	417.80	121.12
	-Intangible Assets	**15**	-	-	-
	-Capital Work in Progress	**15**	-	-	-
	b) Long Term Loans & Advances	**–**	-	-	-
	c) Other Non-Current Assets	**16**	0.10	0.10	-
			386.40	**417.90**	**121.12**
	2.CURRENT ASSETS				
	a) Inventories	**17**	1,537.58	740.45	302.81
	b) Trade Receivables	**18**	1,308.73	861.35	602.47
	c) Cash & Bank Balances	**19**	32.35	61.97	8.28
	d) Short Term Loans & Advances	**20**	67.70	5.20	10.84
	E) Other Current Assets	**21**	3.12	12.65	0.12
			2,949.48	**1,681.63**	**924.53**
		TOTAL	**3,335.89**	**2,099.53**	**1,045.65**

RESTATED STATEMENT OF PROFIT AND LOSS

(In Lakhs unless otherwise stated)

	PARTICULARS.	NOTE NO.	FOR THE YEAR ENDED 31-03-2026	FOR THE YEAR ENDED 31-03-2025	FOR THE YEAR ENDED 31-03-2024
I	**Revenue from operations**	**22**	6,838.42	6,544.35	3,330.61
II	**Other Income**	**23**	0.02	0.07	1.57
III	**Total Income (I +II)**		**6,838.44**	**6,544.42**	**3,332.18**
IV	**Expenses**				
	Cost of Materials Consumed	**24**	6,704.62	5,637.70	2,865.17
	Purchase of Stock in Trade	**25**	-	507.10	230.50
	Change in Inventories of Finished Goods, Work in Progress & Stock in Trade	**26**	(1,010.48)	(324.74)	(66.68)
	Employee benefits expense	**27**	49.52	44.66	17.00
	Finance Costs	**28**	30.55	19.03	11.40
	Depreciation and amortisation expenses	**15**	32.94	19.07	8.56
	Other Expenses	**29**	38.95	35.83	17.28
IV	**Total Expenses**		**5,846.11**	**5,938.64**	**3,083.23**
V	**Profit/(Loss) before Tax(III-IV)**		**992.34**	**605.78**	**248.95**
VI	**Tax Expenses:**				
	1. Current Tax		167.74	100.96	41.48
	2. Deferred Tax		3.60	3.10	1.27
	3. Prior Period Taxes		-	-	-
VII	**Profit / (Loss) for the year**		**821.00**	**501.72**	**206.20**
VIII	**Earnings per Equity Share:**				
	1. Basic and Diluted	**37**	19.64	12.54	5.15

RESTATED CASH FLOW STATEMENT

(In Lakhs unless otherwise stated)

	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2026	FOR THE YEAR ENDED 31ST MARCH, 2025	FOR THE YEAR ENDED 31ST MARCH, 2024
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before Tax	**992.34**	**605.78**	**248.95**
	Adjustments for:			
	Depreciation & Amortization expense	32.94	19.07	8.56
	Provision for Doubtful debts & Advances	-	-	-
	Other non-cash (income)/ expenditure	0.65	3.21	-
	Loss on sale of Property, Plant and Equipment	-	-	-
	Interest Income	-	-	-
	Finance Costs	30.55	19.03	11.40
	Operating Profit before Working Capital Changes	**1,056.47**	**647.09**	**268.91**
	Adjustments for:			
	Trade Receivables	(447.38)	(258.88)	(221.42)
	Loans, Advances and Other Assets	(52.97)	(6.89)	(9.25)
	Inventories	(797.14)	(437.64)	(273.56)
	Trade & Other Payables (including provisions)	366.17	96.90	178.49
	Cash Generated from operating activities	**125.16**	**40.57**	**(56.83)**
	Income Tax Paid	(167.74)	(100.96)	(41.48)
	Net Cash Generated from/ (used in) operating Activities	**(42.59)**	**(60.38)**	**(98.31)**
B.	**CASH FROM INVESTING ACTIVITIES**			
	Purchase of Property, plant and equipment	(1.44)	(315.75)	(33.53)
	Sale of Property, plant and equipment	-	-	-
	Bank balances not considered as cash and cash equivalents	-	(0.10)	-
	Interest Received	-	-	-
	Net Cash Generated from/ (used in) investing Activities	**(1.44)**	**(315.85)**	**(33.53)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from share capital (including Securities Premium)	45.00	-	-
	Net Proceeds from long term borrowings	0.48	339.55	12.60
	Net Proceeds from Short Term Borrowings	(0.53)	109.39	134.79
	Finance Cost	(30.55)	(19.03)	(11.40)
	Net Cash Generated from/ (used in) financing Activities	**14.40**	**429.92**	**135.99**
	Net Increase/(Decrease) in cash and cash Equivalents	**(29.62)**	**53.69**	**4.16**
	Cash and Cash equivalents at beginning of period	61.97	8.28	4.12
	Cash and Cash equivalents at end of the period	32.35	61.97	8.28

SUMMARY OF CONTINGENT LIABILITIES

(₹ In Lakhs)

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Claims against the Company not acknowledged as debt	-	-	-
Guarantees excluding financial guarantees	-	-	-
Other money for which the Company is contingently liable (Income Tax)	-	31.18	-
Total	**-**	**31.18**	**-**

As on the date of filing this Draft Red Herring Prospectus there is no contingent liability other than that mentioned above and in "Restated Financial Information", as Restated beginning on page 165 of this Draft Red Herring Prospectus. The contingent liability of ₹ 31.18 Lakhs disclosed for Fiscal 2025 represented an income tax demand; the said tax liability has since been duly discharged by our Company and the corresponding payment is pending update on the income tax portal.

SUMMARY OF RELATED PARTY TRANSACTIONS

(₹ In Lakhs)

Nature of payment	For year ended 31.03.2026	% of Turnover	For year ended 31.03.2025	% of Turnover	For year ended 31.03.2024	% of Turnover
Director Remuneration	19.20	0.28%	14.40	0.22%	7.20	0.22%
Loan Given	-	-	-	-	10.84	0.33%
Loan Repaid	15.93	0.23%	14.12	0.22%	2.10	0.06%
Loan Received	-	-	368.64	5.63%	2.35	0.07%
Purchase of Goods	-	-	227.20	3.47%	-	-
Sale of Goods	-	-	-	-	16.60	0.50%
Total	**35.13**	**0.51%**	**624.36**	**9.54%**	**39.09**	**1.17%**

Note: Percentages represent the amount as a percentage of revenue from operations.

GENERAL INFORMATION

Registered and Corporate Office of our Company

Bhagya Machine Tools Limited
VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory,
Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206
Telephone: +9190922 00302
E-mail: info@bhagyamachinetools.com
Website: https://bhagyamachinetools.com/

For details of change in our Registered Office, please see **"*History and Certain Corporate Matters – Change in the registered office of our Company*"** on page 143.

Corporate Identity Number: U27320PB2021PLC054838
Registration Number: 054838

Address of the Registrar of Companies where the issuer is registered

Our Company is registered with the Registrar of Companies, Chandigarh at Punjab which is situated at the following address:

Registrar of Companies, Chandigarh
1st Floor, Corporate Bhawan, Plot No.4-B,
Sector 27-B,160019, Chandigarh
E-mail: roc.chandigarh@mca.gov.in

Board of Directors of the Company

S. No.	Name	Designation	Residential Address	DIN
1.	Jagdev Singh	Managing Director	House No. 3668, Street No. 5, Opposite ATI College, Gill Road, Chet Singh Nagar, Janta Nagar, Ludhiana, Punjab-141003	09428375
2.	Jasdil Singh	Whole Time Director	House No. 3668, Street No. 5, Opposite ATI College, Gill Road, Chet Singh Nagar, Janta Nagar, Ludhiana, Punjab-141003	09578743
3.	Amandeep Arora	Independent Director	House No. 9580, Street No.8, Joshi Nagar, Haibowal Kalan, Ludhiana, Punjab-141001	10985048
4.	Vikas Arora	Independent Director	House No. 1251/2C/358, Street No. 8R, Back Side GNE College, Isher Nagar, Gill, Ludhiana, Punjab-141116	11401085
5.	Baljeet Kaur	Non-Executive Director	St. No 6 L, Ishar Nagar, GNE College, Ludhiana, Punjab-141006	11771076

For further details of our Board of Directors, see **"*Our Management – Board of Directors*"** on page 146**.**

Filing

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus/ Prospectus shall be filed online through SEBI Intermediary Portal at siportal.sebi.gov.in and pursuant to Regulation 246(2), the Board shall not be issuing observation.

Further, in accordance with Regulation 246(1) a copy of the Red Herring Prospectus/ Prospectus along with the other documents, shall also be filed with the RoC, Chandigarh under Section 32 of the Companies Act, 2013 and a copy of the Draft Red Herring Prospectus/ Prospectus to be filed under Section 26 of the Companies Act will be delivered for registration to the RoC at its office and through the electronic portal at www.mca.gov.in/mcafoportal/login.do

Company Secretary and Compliance Officer

Name: Tirlok Mohan
Address: VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory,
Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206
Telephone No.: +91 9092200302
Email: secretarial@bhagyamachinetools.com

INVESTOR GRIEVANCES

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid Cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid Cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid Cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid Cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than IBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of IBs using the UPI Mechanism.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgment number received from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the BRLM are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid Cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid Cum Application Form, address of the Bidder, number of the Equity Shares applied for, name and address of the Book Running Lead Manager, unique transaction reference number, the name of the relevant bank, Bid Amount paid on submission of the Bid Cum Application Form and the name and address of the BRLM where the Bid Cum Application Form was submitted by the Anchor Investor.

BOOK RUNNING LEAD MANAGER
Name: SKI Capital Services Limited
Address: 718, Dr Joshi Road, Karol Bagh, New Delhi- 110005
Telephone No.: +91-011-41189899
Contact Person: Mr. Manick Wadhwa/Mr. Shreias Jetly
Email: bmtlipo@skicapital.net
Website: www.skicapital.net
SEBI Registration No.: INM000012768

LEGAL ADVISOR TO THE ISSUE
Name: Simran Sodhi
Address: Chamber No 59, Court Complex, Abohar-152116
Telephone No.: +91-97497-11313
Contact Person: Simran Sodhi
Email: simranshodi6266@gmail.com
Website: Not Applicable

REGISTRAR TO THE ISSUE
Name: Bigshare Services Private Limited

Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093, Maharashtra, India.
Telephone No.:+91 22 6263 8200
Contact Person: Mr. Asif Sayed
Email: ipo@bigshareonline.com
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385

BANKER(S) OF THE ISSUER
Name: Axis Bank Limited
Address: B-22, 3273, Chet Singh Nagar Shimlapuri Gill Road Ludhiana, 141003
Telephone No.: +91 7738721881
Contact Person: Branch Head
Email: ShimlapuriGillRoadBranch.Branchhead@axis.bank.in
Website: https://www.axis.bank.in/

BANKER(S) TO THE ISSUE & SPONSOR BANK
Name: [●]
Address: [●]
Telephone No.: [●]
Contact Person: [●]
Email: [●]
Website: [●]
SEBI Registration No.: [●]

STATUTORY AUDITOR OF THE ISSUER
Name: Manoj K Goel & Associates
Address: B-15/575/1, Overlock Road, Miller Ganj Ludhiana, Punjab-141003
Telephone No.: 9463794419, 01614656419
Contact Person: CA Munish Bhatia
Email: camunishbhatia@gmail.com
Website: NA
ICAI Firm Registration Number: 014585N
Membership No.: 503663

PEER REVIEW AUDITOR OF THE ISSUE
Name: Meenakshi Gujral & Co
Address: 107 Chander Lok Enclave, Pitampura, Delhi 110034
Telephone No.: +91-9899057743
Contact Person: CA Meenakshi Gujral
Email: cameenakshigujral1209@gmail.com
Website: NA
ICAI Firm Registration Number: 015133N
Peer Review Number: 015002

Is the Peer Review Auditor the Same as Statutory Auditor: No

SYNDICATE MEMBER
Name: [●]
Address: [●]
Telephone No.: [●]
Contact Person: [●]
Email: [●]
Website: [●]

MONITORING AGENCY
Name: NA
Address: NA
Telephone No.: NA

Contact Person: NA
Email: NA
Website: NA
SEBI Registration No.: NA

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks (SCSB'S)

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the below mentioned SEBI link: https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

Self-Certified Syndicate Banks Eligible as Issuer Banks for UPI

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBIathttps://sebi.gov.in/ sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

In accordance with SEBI RTA Master Circular, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding through UPI Mechanism may apply through the SCSBs and mobile applications, using UPI handles, whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public offers using UPI mechanism is, provided in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

SYNDICATE SCSB BRANCHES

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

REGISTERED BROKERS

Bidders can submit Bid Cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI (www.sebi.gov.in) and updated from time to time. For details on Registered Brokers, please refer https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes

REGISTRAR AND SHARE TRANSFER AGENTS

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

COLLECTING DEPOSITORY PARTICIPANTS (CDP'S)

The list of the CDPs eligible to accept Bid Cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid Cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.

Experts Opinion

Except as stated below, our Company has not obtained any expert opinions:

1. Our Company has received written consent dated November 27, 2025 from the Peer Reviewed Auditor, namely Meenakshi Gujral & Co., Chartered Accountants, to include its name as an expert as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 and the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, to the extent and in its capacity as an independent Peer Reviewed Auditor and in respect of (i) its examination report dated August 8, 2026 on our Restated Financial Information; and (ii) its report dated August 8, 2026 on the Statement of Possible Special Tax Benefits in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

2. Our Company has received a written consent dated August 08, 2026 from Simran Sodhi, Advocate, having enrolment number PH/8290/2021, to include their name as an expert as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 and the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert", to the extent and in its capacity as an advisor on the legal proceedings subsisting by our Company, against our Company, by and against our Promoters and by and against our Directors, as set out in its Legal Due Diligence Report dated August 27, 2026, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

3. Our Company has received a written consent dated April 30, 2026 from G Gupta & Associates, Company Secretaries (FCS Gaurav Gupta, Membership No. 10940, Certificate of Practice No. 15523, Peer Review No. 2010/2022), to include their name as an expert as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 and the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert", to the extent of their Secretarial Due Diligence Report dated August 27, 2026, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

4. Our Company has received a written consent dated June 17, 2026 from Gourav Gupta, Chartered Engineer, holding Membership No. M-116012 of the Institution of Engineers (India), to include his name as an expert as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 and the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert", to the extent of his Chartered Engineer's Certificate for Capacity Utilisation bearing No. GGL/9/2026-27 dated August 10, 2026, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

5. Our Company has received a written consent dated July 28, 2026 from Manoj K Goel & Associates, Chartered Accountants, the Statutory Auditors of our Company, to include their name as an expert as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 and the SEBI ICDR Regulations, in this Draft Red Herring Prospectus as an "expert", in respect of their Consolidated Certificate dated August 8, 2026 covering, among other matters, the cost of acquisition of Equity Shares by the Promoters, corporate governance, the ratios forming the basis for the Issue Price, the weighted average cost of acquisition, the build-up of share capital, statutory dues and GST filings, insurance coverage, sources and deployment of funds and the eligibility norms for listing, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

Inter-Se Allocation of Responsibilities

Since SKI Capital Services Limited is the sole Book Running Lead Manager (BRLM) to the Issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them.

Monitoring Agency

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of a monitoring agency is not mandatory if the Issue size is up to ₹ 5,000 Lakh. Since the Issue size is below ₹ 5,000 Lakh, our Company has not appointed any monitoring agency for this Issue. However, as per section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the issue.

Green Shoe Option

No green shoe option is contemplated under the issue.

Appraising Entity

No appraising entity has been appointed in respect of any objects of this issue.

IPO Grading

Since the Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, there is no requirement of appointing an IPO grading agency.

Credit Rating

This being an issue of Equity Shares, credit rating is not required.

Debenture Trustee

Since this is not a debenture issue, appointment of debenture trustee is not required.

Filing of the draft offer document/ offer document with board and the registrar of companies

The Draft Red Herring Prospectus will be filed with BSE SME through the BSE Listing Centre in accordance SEBI (ICDR) Regulations, 2018, as amended.

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

Further, in accordance with Regulation 246(1) a copy of the Red Herring Prospectus/ Prospectus along with the material contracts and documents, shall also be filed with the RoC, Chandigarh under Section 32 of the Companies Act, 2013 and a copy of the Draft Red Herring Prospectus/ Prospectus to be filed under Section 26 of the Companies Act will be delivered for registration to the RoC at its office and through the electronic portal at www.mca.gov.in/mcafoportal/login.do

Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised all editions of Financial Express (a widely circulated English national daily newspaper), and all editions of Jansatta (a widely circulated Hindi national daily newspaper), and regional newspaper Daily Suraj (Punjabi being the regional language of Punjab, where our Registered Office is located), each with wide circulation at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/Issue Closing Date.

Principal parties involved in the Book Building Process are-

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

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

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 40% of the Anchor Investor Portion shall be reserved for (i) 33.33% shall be available for allocation to domestic Mutual Funds, and (ii) 6.67% for life insurance companies and pension funds, In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.

Further, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Individual Investors, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders, except Anchor Investors, shall participate in the Issue through the ASBA process by providing details of their respective bank account which will be blocked by the SCSBs or, in the case of UPI Bidders, by alternatively using the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Allocation to Anchor Investors will be on a discretionary basis.

Pursuant to NSE Circular No. NSE/IPO/68604 and BSE Notice No. 20250618-11 dated June 18, 2025, downward modification and cancellation of Bids shall not be permitted for any category of Bidders, including Individual Investors, Qualified Institutional Buyers (QIBs) and Non-Institutional Investors (NIIs). Accordingly, Bidders shall not be permitted to withdraw or make any downward revision to their Bids once submitted.

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regard, specific attention is invited to the section titled "***Issue Procedure***" beginning on page 222 of this Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section titled "***Issue Procedure***" on page 222 of this Draft Red Herring Prospectus.

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

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription

500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled "***Issue Procedure***" on page 222 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid Cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid Cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid Cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depositary Participant's verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid Cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid Cum Application Form;

Bid/Issue Program:

Event	Indicative Dates
Bid/Issue Opening Date*	[●]
Bid/Issue Closing Date**	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

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

***Our Company in consultation with the BRLM, may decide to close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.*

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three (3) Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date), Downward modification and cancellation of bids are not permitted for any category of investors. On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 4.00 p.m. (IST) for all categories. UPI Mandate acceptance/confirmation shall be available up to 5:00 p.m. (IST) on the Bid/Issue Closing Date.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 4.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with the SEBI ICDR Regulations read with NSE Circular No. NSE/IPO/68604 and BSE Notice No. 20250618-11, each dated June 18, 2025, no category of Applicants, including Individual Applicants, QIBs and Non-Institutional Applicants, is allowed to withdraw or make any downward revision to their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Individual Applicants may revise their Bids upwards prior to the Bid/ Issue Closing Date. Allotment to Individual Applicants in this Issue will be made such that no Individual Applicant is Allotted less than the minimum Bid Lot, subject to availability of Equity Shares in the Individual Investor category, and the remaining available Equity Shares, if any, will be Allotted on a proportionate basis.

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

Withdrawal of the Issue

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform BSE SME on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from BSE SME, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

Underwriting

Our Company and BRLM to the issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions specified therein. The BRLM has confirmed that they shall underwrite a minimum of 15% on their own account.

The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter (Name, address, telephone number and email address)	Number of Equity Shares to be Underwritten	Amount Underwritten (Amount in ₹ Lakhs)	% of the Issue Size Underwritten
[●]	[●]	[●]	100%

The above-mentioned underwriting commitment is indicative and to be provided in the prospectus before it is filed with the Registrar of Companies and will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Changes in Auditors

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus, except as discussed below.

Details of Auditors (name, address, email address, peer review number and firm registration number of auditors)	Date of Change	Reason for Change
Name: Manoj K Goel & Associates, Chartered Accountants, Firm Registration No.: 014585N Membership No.: 503663 Address: Office No. 2, Building O B-15/575/1, Overlock Road, Miller Ganj, Ludhiana Punjab- 141003	September 28, 2024	Resignation Due to some personal and unavoidable circumstances
Name: Prince Kumar & Associates, Chartered Accountants, Firm Registration No.: 032800N Membership No.: 548321 Address: Khewat No.292 Khatauni No.369, Warring Road, Mandi Barwala, Muktsar, Punjab-152025	November 25,2024	Appointment in case of casual vacancy
Name: Prince Kumar & Associates, Chartered Accountants, Firm Registration No.: 032800N Membership No.: 548321 Address: Khewat No.292 Khatauni No.369, Warring Road, Mandi Barwala, Muktsar, Punjab-152025	May 27, 2026	Resignation Due to some personal and unavoidable circumstances
Name: Manoj K Goel & Associates, Chartered Accountants Firm Registration No.: 014585N Membership No.: 503663 Address: Office No. 2, Building O B-15/575/1, Overlock Road, Miller Ganj, Ludhiana Punjab- 141003	June 18, 2026	Appointment in case of casual vacancy

Details of the Market Making Arrangement for the Issue

Our Company, the BRLM and the Market Maker, duly registered with BSE SME have entered into a tripartite agreement dated [●] to fulfil the obligations of market making for a minimum period of three years from the date of listing of equity shares offered in this Issue:

Name:	[●]
SEBI Registration No.:	[●]
BSE SME Registration No.:	[●]
Address:	[●]
Telephone No.:	[●]
Website:	[●]
Email ID:	[●]
Contact Person:	[●]

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. The spread (difference between the sell and buy quote) shall not be more than 10% or as specified by the Stock Exchange from time to time. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE Limited (BSE SME) and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●]/- per share the minimum application lot size is [●] Equity Shares thus minimum depth of the quote shall be [●] until the same, would be revised by BSE.

4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Equity Shares of market maker in our Company reaches to 25%. Or upper limit (Including the 5% of Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken into consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
8. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors
9. On the first day of the listing, there will be a pre-opening session (call auction) and thereafter the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
10. The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
12. The Market Maker(s) shall have the right to terminate said arrangement by giving a one-month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s). In case of termination of the abovementioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further, our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.
13. Risk containment measures and monitoring for Market Makers: SME Platform of BSE Limited will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value- At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
14. Punitive Action in case of default by Market Maker: SME Platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non- compliances. Penalties / fines may be imposed by the Exchange on the Market Makers, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker(s) in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
    The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Makers from time to time.
15. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
    (i) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
    (ii) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue Price.

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

Issue Size	**Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)**	**Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)**
Up to ₹ 20 Crore	25%	24%

₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore To ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

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

CAPITAL STRUCTURE

The share capital of the Company as at the date of the DRHP is set forth below:

Section	Particulars	Amount (₹ in Lakhs)	
		Aggregate nominal value	**Aggregate value at Issue Price***
A. Authorised Share Capital	70,00,000 Equity Shares of ₹ 10/- each	700.00	[●]
B. Issued, Subscribed and Paid-Up Share Capital before the Issue	48,50,000 Equity Shares of ₹ 10/- each	485.00	[●]
C. Present Issue in terms of the Draft Red Herring Prospectus#	Issue of up to 20,80,000Equity Shares of Face Value ₹ 10/- each	208.00	[●]
	Of which:	[●]	[●]
	Fresh issue of up to 20,80,000 Equity Shares of face value of ₹ 10 each	208.00	[●]
	Which comprises of:		
	Reservation for Market Maker Portion [●] Equity Shares of face value of ₹ 10/- each	[●]	[●]
	Net Issue to the Public [●] Equity Shares of face value of ₹ 10/- each	[●]	[●]
	Of Which **		
	At least [●] Equity Shares aggregating up to ₹ [●] Lakhs will be available for allocation to Individual investors who applies for minimum application size.	[●]	[●]
	At least [●] Equity Shares aggregating up to ₹ [●] Lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	Not more than [●] Equity Shares aggregating up to ₹ [●] Lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds	[●]	[●]
D. Issued, Subscribed and Paid-up Share Capital after the Issue	[●] Equity Shares of ₹ 10/- each	[●]	
E. Securities Premium Account	Before the Issue	292.00	
	After the Issue	[●]	

**To be updated upon the finalization of the Issue Price*

*** The allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.*

#The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 17, 2026 and by the shareholders of our Company vide a special resolution passed at the Extra-Ordinary General Meeting held on June 18, 2026. This Issue is being made by our Company in terms of Regulation 229(1) of the SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – Issue paid up equity share capital of our Company are being offered to the public for subscription.

*For details in relation to the changes in the authorised share capital of our Company, see "**Our History and Certain Other Corporate Matters** – Amendments to our MOA since Incorporation" on page 143.*

NOTES TO THE CAPITAL STRUCTURE

1. Details of change in Authorised Share Capital of the Company

Sr. no.	Particulars of Increase	Date of Shareholders Meeting
1.	Initial Authorized Capital ₹ 10,00,000	08-12-2021
2.	Increase in Authorised capital from ₹ 10,00,000 to ₹ 1,00,00,000	04-03-2023
3.	Increase in Authorised capital from ₹ 1,00,00,000 to ₹ 7,00,00,000	20-09-2024

2. Equity shares capital history of Company

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

Date of Allotment	Nature of Allotment	Details of allottees/shareholders and equity shares allotted	No. of Equity Shares allotted	Face value per equity shares	Issue price (Including Premium if any) per shares	Nature of Consideration	Cumulative number of equity shares
08/12/2021	Initial Capital	50,000 Equity Shares allotted to Jagdev Singh and 50000 Equity Shares allotted to Charanjit Kaur,	1,00,000	10/-	10/-	Cash	1,00,000
27/03/2023	Rights issue*#	3,60,000 Equity Shares allotted to Jasdil Singh, 3,60,000 Equity Shares allotted to Jaskaran Singh, 90,000 Equity Shares allotted to Jagdev Singh, 90,000 Equity Shares allotted to Charanjit Kaur.	9,00,000	10/-	10/-	Cash	10,00,000
20/12/2025	Bonus Issue**	15,55,500 Equity Shares allotted to Jagdev Singh, 14,37,000 Equity Shares allotted to Jasdil Singh, 3,000 Equity Shares allotted to Charanjit Kaur, 1,500 Equity Shares allotted to Jaskaran Singh, 1,500 Equity Shares allotted to Rupinder Kaur, 1,500 Equity Shares allotted to Gurmeet Singh.	30,00,000	10/-	-	Non-Cash	40,00,000
31/12/2025	Rights issue #	2,00,000 Equity shares allotted to Jasdil Singh and 2,00,000 Equity shares allotted to Jaskaran Singh.	4,00,000	10/-	83/-	Cash	44,00,000
23/01/2026	Rights issue #	1,80,000 Equity Shares allotted to Deepak Kumar, 1,80,000 Equity Shares allotted to Harinderpal Singh Sodhi, 88,000 Equity Shares allotted to Ghanisht Nagpal, 2,000 Equity Shares allotted	4,50,000	10/-	10/-	Cash	48,50,000

		to Reena.					

Note:

1.*All the above-mentioned shares are fully paid up since the date of allotment.*

2. The allotment was as per Section 62(1)(a) of the Companies Act, 2013.*

*3.** Bonus ratio: 3:1, being three equity shares for every one fully paid-up equity share held.*

4. # Rights issue ratios (computed with reference to the paid-up equity share capital of our Company immediately prior to the respective allotment): (i) the allotment dated March 27, 2023 was in the ratio of 9:1, being nine equity shares for every one fully paid-up equity share; (ii) the allotment dated December 31, 2025 was in the ratio of 1:10, being one equity share for every ten fully paid-up equity shares; and (iii) the allotment dated January 23, 2026 was in the ratio of 9:88, being nine equity shares for every eighty-eight fully paid-up equity shares held.

Our Company has made the abovementioned issuances and allotments of Equity Shares from the date of incorporation of our Company till the date of filing of this Draft Red Herring Prospectus in compliance with the relevant provisions of the Companies Act, 2013 and the Companies Act, 1956, to the extent applicable.

3. Preference shares capital history of Company

The following table sets forth the history of the Preference share capital of our Company.

Date of Allotment	Nature of Allotment	Details of allottees/shareholders and preference shares allotted	No. of preference Shares allotted	Face value per preference shares	Issue price (Including Premium if any) per share	Nature of Consideration	Cumulative number of preference shares
NA*							

** No preference shares have been issued by the Company to date.*

4. Shares issued for consideration other than cash

The table below sets forth the details of equity shares issued by the Company for consideration other than cash.

Date of Allotment	Nature of Allotment	Details of allottees/shareholders and equity shares allotted	No. of Equity Shares allotted	Face value per share (₹)	Issue Price per shares (₹)	Reasons for the issue	Benefits, if any, that have accrued to our Company
20/12/2025	Bonus issue	Please see "***Capital Structure-Equity shares capital history of Company"*** on page no 63	30,00,000	10	-	Capitalisation of profit	Increase in Capital Base

5. Shares issued out of revaluation reserves

The following table sets forth the history of the revaluation reserves.

Date Of Allotment	Date Of Revaluation Of Assets	Details Of Allottees/Shareholders And Equity Shares Allotted	No. Of Equity Shares Allotted	Face Value Per Share (₹)	Issue Price Per Shares (₹)	Total Consideration	Nature For Consideration	Reasons For the Issue	Source Of Funds
NA*									

**Since its incorporation, our Company has not issued any equity shares from revaluation reserves.*

6. Issue of equity shares pursuant to sections 230 to 234 of the Companies Act 2013

The following table sets forth the Issue of equity shares pursuant to sections 230 to 234 of the Companies Act 2013

Date of allotment	No. of equity Shares allotted	Face value per Share	Issue Price per Share	Total consideration	Nature of consideration	Particulars of the Scheme (to include Page no's where details of such scheme are given)
NA*						

**No equity shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 and sections 230-234 of the Companies Act, 2013.*

7. Issue of shares at a price lower than the Issue Price in the last year

Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price, except as disclosed in this Draft Red Herring Prospectus.

Date of Allotment	Name of Allottees	No. of Shares allotted	Face Value per share (₹)	Issue Price per share (₹)	Issue Price*	Reason for Allotment
[●]	Please see ***"Capital Structure", beginning on*** page no 63.	[●]	[●]	[●]	[●]	Please see ***"Capital Structure", beginning on*** page no 63.

**The Issue Price shall be determined by our Company, in consultation with the BRLM, after the Bid / Issue Closing Date. This table shall be updated at the time of Prospectus.*

8. Split/ Consolidation of equity shares in the past one year.

Date of action	Nature of action	No. of equity shares	Face value per equity share	Cumulative number of equity shares
NA				

9. Issue of equity shares under one or more employee stock option schemes

Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees.

Date of allotment	Nature of allotment	Details of allottees/shareholders and equity shares allotted	No. of equity shares allotted	Face value per equity share	Issue Price per equity shares	Nature of Consideration	Cumulative number of equity shares
NA							

SHAREHOLDING PATTERN OF THE COMPANY (AS ON THE DATE OF THIS DRHP)

Category Code	Category of Shareholder	No of Share holder	No. of Fully paid-up Equity Shares Held	No. of Partly Paid-up Shares Held	No. of Shares Underlying Depository Receipts	Total No of Shares Held	Shareholding as a % of total no. of shares (calculated as per SCRA, 1957) As a % of	Number of Voting Rights held in each class of securities*	No. of shares underlying Outstanding Convertible Securities (including	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital)	No. of locked-in shares	No. of shares held or otherwise encumbered	Number of shares held in dematerialized form

								No of voting rights		Total as a % of (A+B+C)					
								Class: Equity	Total			No	As a % of total shares held	No	As a % of total shares held	
I	**II**	**III**	**IV**	**V**	**VI**	**VII=IV+V+VI**	**VIII**	**IX**		**X**	**XI=VII+X**	**XII**		**XIII**		**XIV**
(A)	Promoters & promoter Group	5	43,98,000	-	-	43,98,000	90.68%	43,98,000		90.68%	90.68%	-		-		43,98,000
(B)	Public	5	4,52,000	-	-	4,52,000	9.32%	4,52,000		9.32%	9.32%	-		-		4,52,000
(C)	Non-Promoter- Non-Public	-	-	-	-	-	-	-		-	-	-		-		-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-		-	-	-		-		-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-		-	-	-		-		-
	Total	**10**	**48,50,000**	**-**	**-**	**48,50,000**	**100.00 %**	**48,50,000**		**100.00 %**	**100.00%**	**-**		**-**		**48,50,000**

Note:

— *In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoter Group Companies and 50% of the Equity Shares held by the public shareholders, shall be dematerialized.*

— *PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.*

— *Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of BSE SME before commencement of trading of such Equity Shares.*

DETAILS OF SHAREHOLDING OF MAJOR SHAREHOLDERS

Shareholders holding 1% or more of the paid-up Equity Share Capital (as on the date of this Draft Red Herring Prospectus*)*

S. N.	Name of Shareholders	Category	No. of Equity Shares*^	% of Equity Share Capital **
1	Jagdev Singh	Promoter	20,74,000	42.76%
2	Jasdil Singh	Promoter	21,16,000	43.63%
3	Jaskaran Singh	Promoter Group	2,02,000	4.16%
4	Deepak Kumar	Public	1,80,000	3.71%
5	Harinderpal Singh Sodhi	Public	1,80,000	3.71%
6	Ghanisht Nagpal	Public	88,000	1.81%
	Total		**48,40,000**	**99.79%**

Shareholders holding 1% or more of the paid-up Equity Share Capital (as of ten days prior to the date of this Draft Red Herring Prospectus)

S. N.	Name of Shareholders	Category	No. of Equity Shares*^	% of Equity Share Capital **
1	Jagdev Singh	Promoter	20,74,000	42.76%
2	Jasdil Singh	Promoter	21,16,000	43.63%
3	Jaskaran Singh	Promoter Group	2,02,000	4.16%
4	Deepak Kumar	Public	1,80,000	3.71%
5	Harinderpal Singh Sodhi	Public	1,80,000	3.71%
6	Ghanisht Nagpal	Public	88,000	1.81%
	Total		**48,40,000**	**99.79%**

Shareholders holding 1% or more of the paid-up Equity Share Capital (as of one year prior to the date of this Draft Red Herring Prospectus)

S. N.	Name of Shareholders	Category	No. of Equity Shares*	% of Equity Share Capital **
1	Jagdev Singh	Promoter	40,000	4.00%
2	Jasdil Singh	Promoter	4,00,000	40.00%
3	Jaskaran Singh	Promoter Group	4,00,000	40.00%
4	Charanjit Kaur	Promoter Group	40,000	4.00%
5	Rupinder Kaur	Promoter Group	40,000	4.00%
6	Tavinder Singh	Public	40,000	4.00%
7	Gurmeet Singh	Public	40,000	4.00%
	Total		**10,00,000**	**100.00%**

Shareholders holding 1% or more of the paid-up Equity Share Capital (as of two years prior to the date of this Draft Red Herring Prospectus)

S. No.	Name of Shareholders	Category	No. of Equity Shares*	% of Equity Share Capital **
1	Jagdev Singh	Promoter	40,000	4.00%
2	Jasdil Singh	Promoter	4,00,000	40.00%
3	Jaskaran Singh	Promoter Group	4,00,000	40.00%
4	Charanjit Kaur	Promoter Group	40,000	4.00%
5	Rupinder Kaur	Promoter Group	40,000	4.00%
6	Tavinder Singh	Public	40,000	4.00%
7	Gurmeet Singh	Public	40,000	4.00%
	Total		**10,00,000**	**100.00%**

*** the % has been calculated based on existing Paid-up Capital of the Company for each period.*

^The face value of the company is ₹10/-

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

History of the equity share capital held by the promoters and promoter group

S. N.	Name	Pre-Issue		Post-Issue	
		No. of Equity Shares of face value of ₹ 10/- each.	Percentage of pre-issue equity share capital	No. of Equity Shares of face value of ₹ 10/- each.	Percentage of post-issue equity share capital
Promoters (A):					
1	Jagdev Singh	20,74,000	42.76%	20,74,000	[●]

2	Jasdil Singh	21,16,000	43.63%	21,16,000	[●]
Total -A		**41,90,000**	**86.39%**	**41,90,000**	**[●]**
Promoters Group (B):					
1	Charanjit Kaur	4,000	0.08%	4,000	[●]
2	Jaskaran Singh	2,02,000	4.16%	2,02,000	[●]
3	Rupinder Kaur	2,000	0.04%	2,000	[●]
Total -B		**2,08,000**	**4.29%**	**2,08,000**	[●]
Grand Total (A+B)		**43,98,000**	**90.68%**	**43,98,000**	[●]

Build-up of the shareholding of the Promoters in the Company

Date of Allotment/ Transfer/ Resolution	Nature of Transaction	Number of Equity Shares	Consideration (cash/ other than cash)	Face Value per Equity Share (in ₹)	Issue/ Transfer price per Equity Share (in ₹)	% of Pre-Issue Capital	% of Post-Issue Capital
Jagdev Singh							
08.12.2021	Allotment	50,000	Cash	10	10	1.03%	[●]
29.04.2022	Transfer to Jaskaran Singh	-(10)	Cash	10	10	0.00%	[●]
20.12.2022	Transfer to Jaskaran Singh	-(39,990)	Cash	10	10	-0.82%	[●]
27.03.2023	Allotment (Rights issue)	90,000	Cash	10	10	1.86%	[●]
15.06.2024	Transfer to Gurmeet Singh	(10,000)	Cash	10	10	-0.21%	[●]
15.06.2024	Transfer to Gurmeet Singh	(10,000)	Cash	10	10	-0.21%	[●]
15.06.2024	Transfer to Tavinder Singh	(40,000)	Cash	10	10	-0.82%	[●]
14.11.2025	Transfer From Charanjit Kaur	79,000	Gift	10	-	1.63%	[●]
14.11.2025	Transfer From Jaskaran Singh	3,99,500	Gift	10	-	8.24%	[●]
20.12.2025	Allotment (Bonus)	15,55,500	Other Than Cash	10	-	32.07%	[●]
Total		**20,74,000**				**42.76%**	[●]
Jasdil Singh							
29.04.2022	Transfer from Charanjit Kaur	10	Cash	10	10	0.00%	[●]
20.12.2022	Transfer from Charanjit Kaur	39,990	Cash	10	10	0.82%	[●]
27.03.2023	Allotment (Rights issue)	3,60,000	Cash	10	10	7.42%	[●]
14.11.2025	Transfer From Rupinder Kaur	79,000	Gift	10	-	1.63%	[●]
20.12.2025	Allotment (Bonus)	14,37,000	Other Than Cash	10	-	29.63%	[●]
31.12.2025	Allotment (Rights issue)	2,00,000	Cash	10	83	4.12%	[●]
Total		**21,16,000**				**43.63%**	[●]

Exit Issue by Our Promoter

None of the existing promoters or members of the promoter group are selling any shares in the proposed public issue. Consequently, there is no exit offer by the promoters as part of this issue.

Details of promoter's contribution and lock-in

Promoter Contribution Locked in for 3 years:

As per Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post-Issue Capital shall be considered as Minimum Promoters' Contribution.

Pursuant to the Regulation 238(a) of SEBI ICDR Regulations, an aggregate of at least 20% of the post issue capital of our Company held by our Promoter shall be locked-in for a period of three years from the date of Allotment of this issue

Our Promoters has granted consents to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Minimum Promoters' Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations..

The Minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "promoter" under the SEBI (ICDR) Regulations, 2018. of Minimum Promoters' Contribution in terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018 and are being locked-in for three years as per Regulation 238(a) of the SEBI (ICDR) Regulations, 2018, i.e. for a period of three years from the date of Allotment of Equity Shares in this Issue. The details of the lock-in shall also be provided to the Stock Exchange before listing of the Equity Shares.

Equity Shares to be Locked in (Minimum Promoter's Contribution):

Name of Promoters	No. of Locked-in Shares *	Date of Allotment/ Transfer	Nature of Transaction	Face Value (₹)	Issue/ Acquisition Price (₹)	% of Pre-Issue Capital	% of Post-Issue Capital
Jagdev Singh	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Jasdil Singh	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]					20.00%	[●]

Note: To be updated at the Red Herring Prospectus stage.
** Subject to finalisation of Basis of Allotment.*

We further confirm that our Promoters' contribution of minimum 20% of the post issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India or any non-individual public shareholder holding at least five per cent of the post-issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s).

The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoters' contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Public Issue.

Additional Lock-in and Regulatory Confirmations

Promoters' Equity Shares Locked-in Period in Excess of 20%

In terms of the clause (b) of Regulation 238, In addition to above Equity Shares that are locked-in for three years as the minimum Promoters' contribution, the balance of Promoters' Pre-Issue Equity Share capital of our Company, shall be locked in from the date of allotment of this issue as follows:

(i) fifty percent of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of two years from the date of allotment in the initial public offer; and
(ii) remaining fifty percent of promoters holding in excess of minimum promoters' contribution shall be locked in for a period of one year from the date of allotment in the initial public offer.

Further, such lock-in of the Equity shares would be created as per the by-laws of the Depositories.

Other Lock-in Requirements

Inscription or recording of non-transferability

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

Pledge of Locked in Equity Shares:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as **(**collateral security for loans granted by such banks or financial institutions, subject to the following:

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

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

Transferability of Locked in Equity Shares:

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

- Further, in terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018, the specified securities held by our Promoters and locked-in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another promoter or any person of the promoter group or to a new promoter or a person in control of our Company, subject to continuation of the lock-in, in the hands of the transferee, for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
- The equity shares held by persons other than Promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoters and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.

Anchor Investors Lock-in

In accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, fifty percent of the shares allotted to Anchor Investors shall be locked in for a period of ninety (90) days from the date of allotment, and the remaining fifty percent shall be locked in for a period of thirty (30) days from the date of allotment.

Eligibility of Share for "Minimum Promoter Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	**Promoters' Minimum Contribution Conditions**	**Eligibility Status of Equity Shares forming part of Promoters' Contribution**
237(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoters' contribution does not consist of such Equity Shares. **Hence Eligible**
237(1)(a)(ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity	The minimum Promoters' contribution does not consist of such Equity Shares. **Hence Eligible**

	Shares which are ineligible for minimum Promoters' contribution	
237(1)(b)	Specified securities acquired by Promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoters' contribution does not consist of such Equity Shares. **Hence Eligible.**
237 (1) (c)	Specified securities allotted to Promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the Promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to Promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoters' contribution does not consist of such Equity Shares. **Hence Eligible.**
237 (1) (d)	Specified securities pledged with any creditor	The minimum Promoters' contribution does not consist of such Equity Shares. **Hence Eligible.**

Lock-in of Equity Shares held by Public Shareholders for One Year

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-Issue Equity Share capital held by persons other than the Promoters shall be locked-in for a period of one year from the date of allotment of Equity Shares in the Issue.

Accordingly, all Equity Shares held by the Public Shareholders as on the date of the Issue, other than such Equity Shares as may be exempted from the lock-in requirements in accordance with the SEBI (ICDR) Regulations, 2018, shall be subject to lock-in for a period of one year from the date of allotment of Equity Shares in the Issue.

The Equity Shares which are subject to lock-in shall be non-transferable during the applicable lock-in period. In case such Equity Shares are held in dematerialized form, the lock-in shall be recorded by the respective depositories in accordance with the applicable provisions. The details of the lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange prior to listing of the Equity Shares.

SHAREHOLDER AND PROMOTER TRANSACTION CONFIRMATIONS

1. The Company confirms that during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus, there have been no financing arrangements whereby the Company's Promoters, members of the Promoter Group, Directors, or any of their relatives have financed the purchase of securities of the Company by any other person.

2. The Company confirms that during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus, the Promoters, members of the Promoter Group, Directors, or any of their relatives have not purchased or sold any securities of the Company.

3. We have ten (10) shareholders as on the date of filing of this Draft Red Herring Prospectus.

4. The Company confirms that all the equity shares of the Company are held in dematerialised form and there are no physical share certificates outstanding as of the date of this Draft Red Herring Prospectus.

5. Our Company, our Promoters, our Directors and the BRLM to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.

6. BRLM to the Issue viz. SKI Capital Services Limited and its associates do not hold any Equity Shares of our Company.

7. The Company confirms that, as on the date of this Draft Red Herring Prospectus, none of the shareholders are directly or indirectly related to the Book Running Lead Manager or their associates, as defined under the SEBI (Merchant Bankers) Regulations, 1992.

8. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be allotted fully paid-up equity shares.

9. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.

10. There will be no further issue of capital, except the Fresh Issue whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of this Draft Red Herring Prospectus until the Equity Shares offered have been listed or the application monies have been unblocked on account of failure of the Issue.

11. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) except the Fresh Issue , except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

12. The Company confirms that neither the Book Running Lead Manager (BRLM) nor any of its associates, except for Mutual Funds sponsored by entities which are associates of the BRLM, insurance companies promoted by entities which are associates of the BRLM, Alternative Investment Funds (AIFs) sponsored by entities which are associates of the BRLM, FPIs other than individuals, corporate bodies and family offices which are associates of the BRLM, or pension funds sponsored by entities which are associates of the BRLM, shall apply in the Issue under the Anchor Investor Portion.

13. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.

14. The Company confirms that it shall have only one denomination of its Equity Shares, unless otherwise permitted by applicable law.

15. Our Promoters and the members of our Promoter Group will not participate in this Issue.

    (a) Our Company has not made any public issue since its incorporation.
    (b) Our Company shall ensure that transactions in the Equity Shares by the Promoters and members of the Promoter Group between the date of filing the Draft Red Herring Prospectus with the RoC and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transactions being completed.
    (c) None of our Directors or Key Managerial Personnel or Senior Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled "**Our Management**" beginning on page number 146 of this Draft Red Herring Prospectus.

SECTION IV – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Unless otherwise indicated, information relating to the estimated project cost, means of finance, implementation schedule and other details pertaining to the proposed capital expenditure set out in the section titled "Objects of the Issue" has been derived from the ***Cost Vetting Report*** *dated* ***September 09, 2026*** *(the "****Cost Vetting Report****") prepared by* ***Infomerics Analytics and Research Private Limited****, wholly owned subsidiary of Infomerics Valuation And Rating Limited (SEBI registered and RBI Accredited Credit Rating Agency) and exclusively commissioned and paid for by our Company in connection with the Issue pursuant to an engagement letter dated January 22, 2026. A copy of the Cost Vetting Report is available for inspection in accordance with the section titled "Material Contracts and Documents for Inspection" on page 265 of this Draft Red Herring Prospectus. The information included herein contains extracts from the Cost Vetting Report and may have been suitably re-arranged by us solely for the purpose of presentation. There are no parts, data or information (which may be relevant for the proposed Issue) that have been left out or changed in any manner. Investors should not place undue reliance on the Cost Vetting Report for any purpose other than understanding the proposed utilization of the Net Proceeds and the estimated project costs disclosed in this Draft Red Herring Prospectus.*

Our Company proposes to utilize the funds which are being raised towards funding the following objects and achieve the benefits of listing on the BSE SME Platform.

The issue comprises of –

Particulars	Equity Shares Offered	Aggregate Amount (₹ Lakhs)
Fresh Issue	Up to 20,80,000	[●]
Offer for Sale	**NA**	
Total	Up to 20,80,000	[●]

Net Proceeds:

The details of the proceeds from the Fresh Issue are provided in the following table:

Particulars	Amount (₹ In Lakh)
Gross Issue Proceeds*	[●]
Less: Issue Expenses	[●]
Net Issue Proceeds	[●]

**To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC*

The Objects of the Issue Are: -

1. Capital Expenditure
2. General Corporate Purposes.

*(Collectively referred to as the "****Objects****")*

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution.

We confirm that the main objects as set out in the Memorandum of Association of our Company, together with the objects incidental and ancillary thereto, enable our Company: (i) to undertake and carry on the existing business activities of our Company; and (ii) to undertake the activities for which the Net Proceeds of the Issue are proposed to be utilized.

Fund Raise Objective	Particulars	Amount (₹ In Lakh)	% of Net Proceeds
Capital Expenditure	Funding capital expenditure towards capacity expansion through installation of an Induction Melting Furnace	1300.00	[●]
General Corporate Purposes		[●]	[●]

Net Issue Proceeds	**[●]**	**100.00%**

The requirements of the above object are proposed to be funded through a combination of the Net Proceeds of the Issue and our internal accruals.

The proposed fund requirements and deployment of the Net Proceeds have been determined by our management based on internal estimates, quotations obtained from vendors and prevailing market conditions. While the project costs have been subjected to an independent cost vetting exercise, the project has not been appraised by any bank or financial institution. Accordingly, the estimated costs remain subject to revision due to changes in market conditions, input costs, regulatory requirements or other unforeseen circumstances. Any increase in the project cost over and above the estimated amount will be met by our Company through internal accruals, debt, or such other sources as may be determined by our management.

IN CASE OF ANY INCREASE IN THE ACTUAL UTILIZATION OF FUNDS EARMARKED FOR THE OBJECTS, SUCH ADDITIONAL FUNDS FOR A PARTICULAR ACTIVITY WILL BE MET BY WAY OF MEANS AVAILABLE TO OUR COMPANY, INCLUDING FROM INTERNAL ACCRUALS. IF THE ACTUAL UTILIZATION TOWARDS ANY OF THE OBJECTS IS LOWER THAN THE PROPOSED DEPLOYMENT SUCH BALANCE WILL BE USED FOR FUTURE GROWTH OPPORTUNITIES INCLUDING FUNDING EXISTING OBJECTS, IF REQUIRED. IN CASE OF DELAYS IN RAISING FUNDS FROM THE ISSUE, OUR COMPANY MAY DEPLOY CERTAIN AMOUNTS TOWARDS ANY OF THE ABOVE-MENTIONED OBJECTS THROUGH A COMBINATION OF INTERNAL ACCRUALS OR UNSECURED LOANS (BRIDGE FINANCING) AND IN SUCH CASE THE FUNDS RAISED SHALL BE UTILIZED TOWARDS REPAYMENT OF SUCH UNSECURED LOANS OR RECOUPING OF INTERNAL ACCRUALS. HOWEVER, WE CONFIRM THAT NO BRIDGE FINANCING HAS BEEN AVAILED AS ON DATE, WHICH IS SUBJECT TO BEING REPAID FROM THE ISSUE PROCEEDS. WE FURTHER CONFIRM THAT NO PART OF THE PROCEEDS FROM THE ISSUE WILL BE UTILIZED FOR THE REPAYMENT OF ANY OUTSTANDING UNSECURED LOANS, WHETHER DIRECTLY OR INDIRECTLY, FROM THE PROMOTER, PROMOTER GROUP, OR ANY RELATED PARTY, AS OF THE DATE OF THE DRAFT RED HERRING PROSPECTUS. NO PROMOTER, DIRECTOR, OR KEY MANAGERIAL PERSONNEL HAS ANY INTEREST (DIRECT OR INDIRECT) IN ANY OF THE OBJECTS OF THE ISSUE.

As we operate in a competitive and dynamic business environment, our business plans and, consequently, our funding requirements may change from time to time. Our historical expenditure may not be indicative of our future expenditure requirements. The estimated cost of each object of the Issue and the proposed allocation of the Net Proceeds has been determined by our management based on the current business plan, prevailing market conditions and available information. However, these estimates are subject to revision due to changes in economic and business conditions, inflation, input costs, competitive dynamics, regulatory requirements or other factors beyond the control of our management. Accordingly, our Company may revise the estimated costs, fund allocation and implementation schedule for one or more objects of the Issue, to the extent permitted under applicable law. Any such revision shall be undertaken in accordance with the provisions of the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws.

For further details on the risks involved in our business plans and executing our business strategies, please see "***Risk Factors***" beginning on page 22 of this Draft Red Herring Prospectus.

Proposed Schedule of Implementation and Deployment of Net Proceeds

(₹ In Lakh)

Particulars	**Amount to be funded from the Net Proceeds**	**Estimated deployment of the Net Proceeds**	
		FY 2027	FY 2028
Capital Expenditure*#	1300.00	600.00	700.00
General Corporate Purposes	[●]	[●]	[●]
Total	[●]	[●]	[●]

**We have not proposed to buy any second-hand equipment from the issue proceeds.*
#We have not placed any orders for the equipment required towards capacity expansion.

Details of the Objects of the Fresh Issue

1. Capital Expenditure - Funding capital expenditure towards capacity expansion through installation of an Induction Melting Furnace

Introduction

Our Company proposes to allocate a portion of the Net Proceeds, amounting to ₹ 1300.00 Lakhs, towards funding capital expenditure for the installation of an Induction Melting Furnace and allied infrastructure at our manufacturing facilities. The proposed investment is intended to enhance our existing manufacturing capacity, strengthen the integration of our foundry operations, improve production efficiency, and support the growing demand for our castings and engineering products.

The proposed project is intended to facilitate the manufacturing and supply of power press machines and allied industrial machinery, including Pillar Type Power Press, C-Type Power Press, American Type Power Press, H-Type Power Press, H-Type Power Press with Pneumatic Clutch, High-Speed Power Press with Extra Safety, and Under Crank Shearing Machines. These machines find extensive application across industries such as automotive, engineering, fabrication, electrical equipment, metal processing, construction, and general manufacturing. Through this project, the company aims to cater to the growing demand for precision-engineered machinery, strengthen its presence in the machine tools sector, enhance production capabilities, and deliver reliable, high-performance equipment to industrial customers. In line with its long-term vision, the company has formulated a phased expansion strategy involving substantial investments in land acquisition, production infrastructure, furnace installations, and future rolling mill operations. According to management's growth plans, the proposed investments are expected to significantly increase manufacturing capacity and improve operational scalability. The company intends to utilize additional funding for acquiring industrial land, expanding production facilities, installing advanced manufacturing equipment, and developing integrated steel processing capabilities. These initiatives are expected to enhance production efficiency and strengthen the company's ability to meet growing customer demand.

The company operates in an industry that stands to benefit from several favourable macroeconomic trends, including the Government of India's focus on infrastructure development, domestic manufacturing under the "Make in India" initiative, increased investments in industrial corridors, and growing demand from engineering, automotive, fabrication, and construction sectors. These structural growth drivers are expected to support long-term demand for industrial machinery, castings, fabricated products, and steel-based components, thereby creating opportunities for companies such as Bhagya Machine Tools Limited.

Land Agreement area where the Induction Melting Furnace shall be set up:

The Company has duly executed Rent Agreement as evidence of its legal occupancy and operational use of the subject premises. The agreement has been executed on non-judicial stamp paper and notarized, thereby providing documentary support regarding the Company's possession and utilization of the premises for business purposes.

The First Party (Landlord/Owner) is Mr. Sparsh Kumar, S/o Sh. Tejpal Gupta, residing at House No. 2209-G, Bhola Colony, Focal Point, Tajpur Road, Ludhiana – 141010, Punjab. The agreement recognizes him as the lawful owner of the subject property and grants him the authority to lease the premises. The Second Party (Tenant) is Bhagya Machine Tools Limited, a company incorporated under the provisions of the Companies Act, represented through its Director Mr. Jagdev Singh, S/o Sh. Harcharan Singh, residing at 3668, Street No. 5, Chet Singh Nagar, Gill Road, Ludhiana – 141003, Punjab. The Company has entered into the agreement for utilizing the premises for its business and office-related activities.
Property Details

As per the agreement, the property leased to the Company comprises a Factory Space situated at Village Paddi, Hadbast No. 256, Sahnewal Road, Ludhiana – 141206, Punjab. The premises have been made available by the owner to the Company for conducting its business operations and related commercial activities. The property location is strategically situated within the industrial belt of Ludhiana, facilitating operational accessibility and industrial usage.
Date and Tenure of Agreement the Rent Agreement was executed on 05 June 2026 and grants tenancy rights to Bhagya Machine Tools Limited for a period of 11 months, commencing from 05 June 2026 and ending on 04 May 2027. The agreement further provides for extension or renewal of the tenancy period on mutually agreed terms and conditions between the landlord and the tenant. Additionally, the agreement stipulates a rental escalation of 10% after each completed tenure of 11 months, subject to renewal of the arrangement.

The Company has agreed to pay a monthly rent of ₹75,000/- (Rupees Seventy-Five Thousand Only) for the use and occupation of the premises. The rent is payable on a monthly basis in accordance with the terms specified in the agreement. Furthermore, the Company has deposited a refundable and interest-free security deposit of ₹75,000/- with the landlord. The security deposit is stipulated to be refunded upon vacating the premises and handing over peaceful possession to the owner, subject to compliance with the terms of the agreement.

Under the terms of the agreement, Bhagya Machine Tools Limited is authorized to utilize the premises exclusively for its business and office-related purposes. The Company is responsible for timely payment of rent, electricity charges based on actual meter readings, water charges, maintenance expenses, and other utility-related costs associated with the occupation of the premises. The

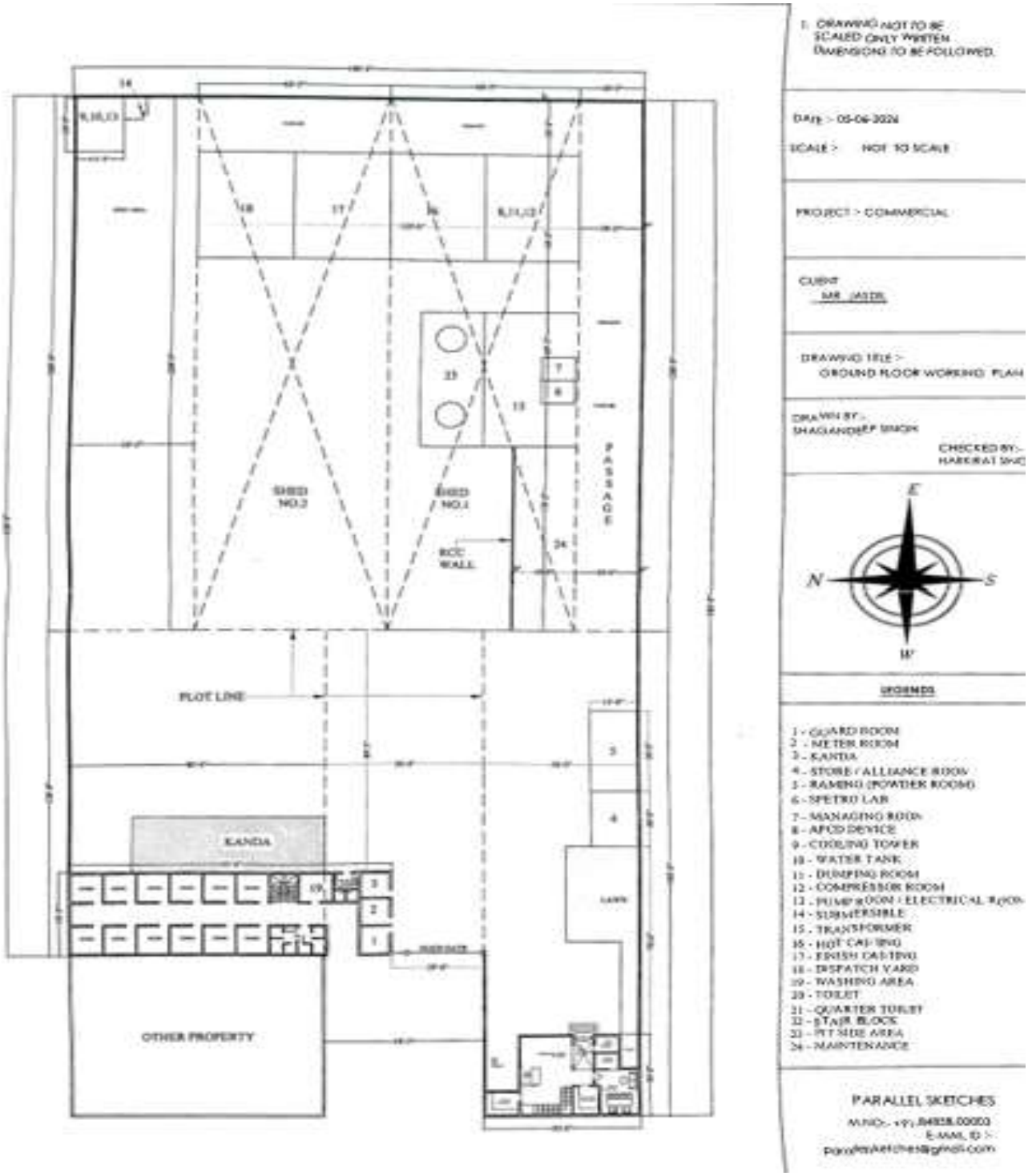
agreement further restricts subletting, transfer, or assignment of tenancy rights without obtaining prior written consent from the landlord.

The tenant is also obligated to maintain the premises in good condition and refrain from carrying out any activities that may adversely affect the value, utility, or structural integrity of the property. The agreement specifically requires the tenant to use the premises solely for the purpose for which it has been leased.

The landlord retains the right to inspect the premises either personally or through an authorized representative. The agreement also provides protection to the landlord in the event of default in rent payments or violation of contractual conditions. In such circumstances, the landlord is entitled to seek eviction of the tenant in accordance with the provisions contained in the agreement.

Based on the documents reviewed, the Rent Agreement establishes a formal landlord-tenant relationship between Mr. Sparsh Kumar and Bhagya Machine Tools Limited and provides documentary evidence regarding the Company's lawful occupancy and operational use of the factory premises located at Village Paddi, Sahnewal Road, Ludhiana. The agreement clearly specifies the identity of the contracting parties, property details, rental consideration, security deposit, tenure, renewal provisions, and respective rights and obligations, thereby serving as a key document supporting the Company's possession and utilization of the premises for its business operations.

Shed Construction Blueprint



Detailed Description of the Drawing

1. General Information
Project Type: Commercial
Drawing Title: Ground Floor Working Plan
Date: 05-06-2026
Scale: Not to Scale (NTS)
Drawn By: Shagandeep Singh
Checked By: Harkirat Singh
A north direction symbol is provided to indicate orientation.

2. Site Layout

The drawing presents a rectangular commercial site divided into several functional zones:

Front Portion

The front area contains:
Main gate entry
Administrative and service buildings
Kanda (storage/processing area)
Guard room
Meter room
Toilets
Stair block
Lawn/open landscaped area

This section serves as the entrance and administrative zone of the facility.

Central Portion

The middle section consists of:

A wide-open circulation space
Internal roads and movement areas
Access paths connecting the front facilities with the industrial/storage sections

The layout allows smooth vehicle and pedestrian movement throughout the site.

Rear Portion

The rear part contains the major operational structures:

Shed No. 1

Large industrial/storage shed
Connected to utility and maintenance spaces
Includes process equipment areas

Shed No. 2

Another large shed adjacent to Shed No. 1
Designed for storage, production, or operational activities

These sheds occupy the largest portion of the plot, indicating that the primary function of the facility is industrial or warehousing.

3. Utility and Support Facilities

The legend identifies the numbered spaces shown in the plan:

No.	Facility
1	Guard Room
2	Meter Room
3	Kanda
4	Store / Alliance Room
5	Ramming (Powder Room)
6	Spectro Lab
7	Managing Room
8	APCD Device
9	Cooling Tower

No.	Facility
10	Water Tank
11	Dumping Room
12	Compressor Room
13	Pump Room / Electrical Room
14	Submersible
15	Transformer
16	Dispatch Yard
17	Washing Area
18	Toilet
19	Quarter Toilet
20	Stair Block
21	Pit Side Area
22	Maintenance Area

These facilities indicate that the site supports manufacturing or metal-processing operations requiring utilities, cooling systems, compressed air, power distribution, storage, and dispatch functions.

4. Industrial Process Flow

The rear production zone appears to follow an operational sequence:

Raw material handling and storage.
Hot Casting
Finish Casting
Dispatch yard.
Maintenance and utility support zones.
Loading and unloading through internal circulation routes.

This arrangement minimizes transportation distance and improves workflow efficiency.

5. Safety and Utility Infrastructure

The plan includes several important service elements:

Transformer for power supply.
Pump room and electrical room.
Water tank and cooling tower.
Compressor room.
APCD (Air Pollution Control Device).
Maintenance area.
Emergency access passages around sheds**.**

These facilities ensure uninterrupted operation and compliance with industrial safety requirements.

6. Design Features

Accessibility

Wide passages are provided beside the sheds.
Clear movement paths connect all functional areas.

Operational Efficiency

Production, storage, and dispatch areas are grouped logically.
Utility rooms are positioned close to the process areas they serve.

Safety

Separate utility zones reduce operational hazards.
Open areas provide ventilation and emergency access**.**

Future Maintenance

Dedicated maintenance area and utility rooms facilitate servicing without disrupting production.

PROJECT COST

Sl. No.	Particular	In INR (Lakh)	
Machinery Cost		Taxable Amount	Amount
1.	Induction Melting Furnace	282.8	333.70
2.	E.O.T Cranes	191.5	225.97
3.	Triple Action Bailing Press Machine	30.90	36.46
4.	Air Pollution Control Device	48.55	57.29
5.	Mould Set & Accessories	94.7	111.746
6.	Transformer	40.5	47.79
7.	Electromagnets	42.90	50.62
Total Machinery Cost		**731.85**	**863.58**
Civil Works		576.74	680.55
TOTAL COST		**1,308.59**	**1,544.14**

COST BIFURCATION

Sl. No.	Vendor Name	Quotation Date	Quotation Number	Product	Taxable Value	Validity
1	M/s. Electrotherm (India) Limited	13th June 2026	ET/I/MGG/SQ/ 120818/26-27	Induction Melting Furnace	282.8	90 days
2	M/s. Asian Cranes Private Limited	09th September 2026	ACPL/KG/26-27/457	E.O.T. Cranes	191.5	90 days
3	M/s. Shri Ram Industries	03rd September 2026	989002	Triple Action Baling Machine	30.90	90 days
4	M/s. Jay Ambe Industries	06th September 2026	17	Air Pollution Control Device	48.55	90 days
5	M/s. TNG Foundry Limited	07th September 2026	TNG145/26-27	Mould Set & Accessories	94.7	90 days
6	M/s. Mehi Power Transformer	03rd September 2026	MEHI QA 779	Induction Furnace Transformer	40.5	90 days
7	M/s. Crystal Magnets	03rd September 2026	CE-2026-27-0150	Electromagnets	42.90	90 days
8	M/s. P L Builders & Developers	06th September 2026	PLB/185	Construction	576.74	1 year

INDUCTION MELTING FURNACE

The company has received a proposal from Electrotherm (India) Limited vide Proposal No. ET/I/MGG/SQ/120818/26-27 dated 13 June 2026 for the supply of an Induction Melting Furnace at a total cost of ₹282.80 lakh. The proposed system comprises one 3000 kW Quick-Melt-UE Solid State Power Supply Unit, two 8 MT ET-Steel Frame Melting Furnaces, and one 3600 KVA OFWF-type Furnace Transformer along with associated accessories and auxiliary systems. The quoted price is on an ex-works basis and excludes

applicable taxes and duties. As per the proposal, the delivery period is 90 days from the date of receipt of the purchase order and advance payment. The proposal has been considered as part of the project cost for the proposed melting facility.

E.O.T CRANES

The company has received a techno-commercial proposal from Asian Cranes Private Limited vide Ref. No. ACPL/KG/26-27/457 dated 09 September 2026 for the supply of Double Beam E.O.T. Cranes comprising one 25/10 Ton Hot Metal Ladle Handling Crane, one 15 Ton Scrap Handling Crane, and one 10 Ton Billet Handling Crane, each with a span of 23 meters and lifting height of 12 meters. The quoted prices are ₹82.50 lakh, ₹62.50 lakh, and ₹46.50 lakh per crane, respectively, aggregating to ₹191.50 lakh, exclusive of GST and transportation charges. The cranes are designed as Class-IV Extra Heavy-Duty cranes conforming to IS 807, IS 4137, and IS 3177 standards and are equipped with cabin-operated controls, heavy-duty geared drives, electro-hydraulic thruster brakes, and safety features suitable for steel plant operations. As per the proposal, the offer is valid for 90 days, with material readiness within 3–4 months from receipt of order and advance payment and carries a warranty of 12 months from the date of supply.

TRIPLE ACTION BAILING PRESS MACHINE

The company has received a quotation from Shri Ram Industries vide Ref. No. 989002 dated 03 September 2026 for the supply of a Hydraulic Triple Action Baling Press Machine. The quoted price for the semi-automatic variant is ₹14.80 lakh (exclusive of GST), while the automatic variant is priced at ₹16.10 lakh (exclusive of GST). The machine is equipped with a 30 HP motor, 800-litre oil tank, hydraulic system operating at 3,000 PSI, and is capable of completing a baling cycle within 50–70 seconds. The scope includes a 30 HP motor starter and a 2.5-ton AC cooling system. As per the quotation, the delivery period is 25–30 days, the offer remains valid for 90 days, and payment terms stipulate 60% advance along with the purchase order and the balance 40% upon delivery. The machine is intended for scrap processing and baling operations and forms part of the material handling and scrap management infrastructure of the proposed manufacturing facility.

AIR POLLUTION CONTROL DEVICE

The company has received a quotation from Jai Ambe Industries vide Ref. No. 17 dated 06 September 2026 for the supply and installation of an Air Pollution Control Device (APCD) for an Induction Furnace. The scope of supply includes a complete bag house system comprising ducting, chimneys, spark arrestor, blower, and other associated accessories as per the prescribed PSCST drawing and specifications. The total quoted amount is ₹48.55 lakh, with GST of ₹8.74 lakh, aggregating to ₹57.29 lakh. As per the quotation, the offer is valid for 90 days, with a delivery period of 2 months from order confirmation. The payment terms stipulate 50% advance payment upon order confirmation and the balance 50% before dispatch. The proposed APCD system is intended to facilitate compliance with environmental regulations and pollution control requirements for the induction furnace operations.

MOULD SET & ACCESSORIES

The company has received a quotation from T.N.G. Foundry Limited vide Ref. No. TNG145/2026-27 dated 07 September 2026 for the supply of Mould Set & Accessories comprising 135 mould shells, 3 shell plates, and 4 tendust units. The total quoted amount is ₹94.70 lakh, with applicable GST of ₹17.05 lakh, aggregating to ₹111.75 lakh. The quotation is valid for 90 days and requires 50% advance payment with the balance payable before delivery. Transportation charges are payable extra as per actuals.

TRANSFORMER

The company has received a quotation from Mehi Power Transformers, an ISO 9001:2015 certified transformer manufacturer, vide Ref. No. MEHI QA 779 dated 03 September 2026 for the supply of a 3450 KVA, 11/0.575-0.575 KV Induction Furnace Transformer. The quoted price is ₹40.50 lakh (exclusive of GST) on an ex-works basis. The transformer is designed specifically for furnace-duty applications and conforms to relevant IS/IEC standards, incorporating CRGO core construction, copper windings, electrostatic shielding, and comprehensive protection features including Buchholz relay, oil and winding temperature indicators, pressure relief valve, and marshalling box. The offer carries an 18-month guarantee, is valid for 90 days, and has a delivery period of 4–5 months from receipt of order.

ELECTROMAGNETS

The company has received a quotation from Crystal Magnets, an ISO 9001:2015 & ISO 14001 certified company and manufacturer/exporter of scrap lifting electro magnets, EOT cranes, hydraulic grabs, magnetic separators, and related material handling equipment, vide Ref. No. CE-2026-27-0150 dated 03 September 2026. The quotation is for a 1650 mm Circular Scrap Lifting Electro Magnet with control panel, transformer rectifier unit, cable reeling drum, and master control switch. The vendor has quoted ₹18.90 lakh for the 18-kW model and ₹24.00 lakh for the 24-kW model. The offer is valid for 90 days, with a delivery period of 10–12 weeks and carries a warranty of 12 months from commissioning or 15 months from supply, whichever is earlier.

CONSTRUCTION

The company has received a quotation from P.L. Builders & Developers vide Ref. No. PLB/185 dated 06 September 2026 for the construction of the proposed factory building comprising boundary wall, two industrial sheds, labour quarters, office block, kanda, and open passage area. The total quoted value is ₹5.77 crore excluding GST and ₹6.81 crore inclusive of GST. The quoted rates include the cost of cement and steel and cover major civil works including excavation, PCC, RCC, brickwork, plastering, flooring, reinforcement, shuttering, doors, windows, and other associated construction activities. The offer is valid for one year and incorporates a milestone-based payment structure for project execution.

FINALIZED QUOTATIONS

Sl. No	Vendor Name	Description	Amount (Excl. GST)
1	M/s. Electrotherm (India) Limited	Induction Melting Furnace	282.8
2	M/s. Asian Cranes Private Limited	E.O.T Cranes	191.5
3	M/s. Shri Ram Industries	Triple Action Bailing Press Machine	30.90
4	M/s. Jay Ambe Industries	Air Pollution Control Device	48.55
5	M/s. TNG Foundry Limited	Mould Set & Accessories	94.7
6	M/s. Mehi Power Transformer	Transformer	40.5
7	M/s. Crystal Magnets	Electromagnets	42.90
8	M/s. P L Builders & Developers	Construction	576.74
Total			**1,308.59**

All the plant, machinery and equipment proposed to be purchased out of the Net Proceeds, as set out above, is new. Our Company has not purchased and does not propose to purchase any second-hand, used or refurbished plant, machinery or equipment out of the Net Proceeds. The quotations set out above are exclusive of goods and services tax, and any input tax credit available to our Company on the goods and services tax borne on the purchase of such plant, machinery and equipment will be availed of in accordance with applicable law.

Detailed Implementation Schedule*

Activity	Timeline
Finalization of land/rental arrangements and project planning	First Half of FY 2026-27
Design, engineering and preparation of project documentation	First Half of FY 2026-27
Statutory approvals	Second Half of FY 2026-27
Land development and site preparation	Second Half of FY 2026-27 to First Half of FY 2027-28
Procurement of plant and machinery	Second Half of FY 2026-27 to First Half of FY 2027-28
Civil construction and foundation works	First Half of FY 2027-28
Structural construction	First Half of FY 2027-28
Installation of utilities and internal works	Second Half of FY 2027-28
Installation, testing and commissioning of plant and machinery	Second Half of FY 2027-28
Final inspection and commencement of commercial operations	Second Half of FY 2027-28

**Dates updated.*

Implementation Plan*

The proposed project is planned to be implemented in a phased and systematic manner over the period from **FY 2026-27 to the second half of FY 2027-28**. The implementation schedule has been designed to ensure the timely completion of civil construction activities, procurement and installation of plant and machinery, statutory approvals and commissioning of the proposed manufacturing facility.

The first phase of the project involves securing the project site through finalization of land acquisition and rental arrangements. The Company has finalized the rental arrangements for the proposed factory premises during the **first half of FY 2026-27**, thereby establishing the legal framework for commencement of project activities.

Simultaneously, the Company initiated the design and planning phase by engaging qualified architects, structural consultants and engineering professionals during the **first half of FY 2026-27**. The appointed consultants were entrusted with the preparation of architectural layouts, structural designs, utility planning and project engineering documentation. Initial conceptual and design drawings were completed during the same period, laying the foundation for subsequent approval and construction activities.
Following the completion of the preliminary planning activities, the Company intends to undertake the statutory approval process during the **second half of FY 2026-27**. The preparation and submission of relevant documents for obtaining approvals from competent authorities, including building plan approvals and other applicable statutory clearances, are expected to be completed during this period to facilitate commencement of site development activities.

Upon receipt of the necessary approvals, land development works will commence during the **second half of FY 2026-27**. These activities will include grading of the site, ground preparation and ensuring that the land is suitable for construction and installation of industrial infrastructure. Subsequently, site preparation and mobilization activities are proposed to continue from the **second half of FY 2026-27 into the first half of FY 2027-28**. This phase will encompass site clearance, boundary demarcation, fencing works, temporary utility arrangements, contractor mobilization and deployment of construction equipment and machinery. The objective of this phase is to establish a construction-ready site and ensure smooth execution of civil works.

The foundation phase of the project is expected to be undertaken during the **first half of FY 2027-28**. During this stage, excavation, footing construction, reinforced concrete foundation works and other sub-structure activities will be executed in accordance with approved engineering designs. Completion of the foundation works will provide the structural base for the proposed industrial facility. The superstructure construction phase is also expected to be undertaken during the **first half of FY 2027-28**. This phase will involve erection of structural columns, beams, roofing systems, floor slabs, masonry works, boundary structures and other civil components necessary for the development of the manufacturing facility. The Company intends to utilize quality construction materials and established engineering practices to ensure structural stability and long-term operational reliability.

Following completion of the primary civil structure, internal development and utility installation works are expected to be carried out during the **second half of FY 2027-28**. This stage includes installation of electrical systems, internal wiring, plumbing networks, ventilation systems, HVAC arrangements (where required), mechanical services, painting, flooring, fixtures and other supporting infrastructure essential for industrial operations.

Parallel to the civil construction activities, the Company has planned the procurement of major plant and machinery. The process of purchasing plant and machinery is expected to be undertaken from the **second half of FY 2026-27 through the first half of FY 2027-28**. During this period, the Company will finalize technical specifications, evaluate suppliers, place purchase orders and coordinate manufacturing and delivery schedules to ensure timely availability of equipment for installation.

Upon completion of construction and utility installation, the project will enter the finishing and commissioning phase during the **second half of FY 2027-28**. This phase will include installation verification, operational testing, safety inspections, calibration of equipment, trial production runs and rectification of any deficiencies identified during testing. The objective is to ensure that all systems and machinery operate in accordance with the design specifications and performance requirements.

The final phase of the project will comprise inspection and handover activities during the **second half of FY 2027-28**. During this stage, final inspections will be conducted by the management and relevant stakeholders to verify completion of the project. Upon satisfactory completion of inspections and compliance verification, the facility will be formally commissioned and made ready for commercial operations. Based on the implementation schedule furnished by the management, the project is expected to achieve mechanical completion and operational readiness during the **second half of FY 2027-28**, subject to the timely receipt of statutory approvals, availability of construction materials, delivery of machinery and other external dependencies. The phased implementation approach is expected to facilitate effective project monitoring, efficient resource utilization and timely commencement of commercial production.
**Dates updated.*

STATUTORY APPROVALS

Approval / License	Why It's Needed	Agency / Laws involved
Factory license	Legal requirement to operate a manufacturing facility, safety, building norms.	Under the Factories Act, state-level factory inspectorate.
Consent to Establish (CTE)	Before setting up operations / building, to ensure pollution control measures are planned.	State Pollution Control Board (SPCB), e.g. Punjab Pollution Control Board (PPCB).
Consent to Operate (CTO)	Before starting operations — to ensure that emissions, effluent, etc., are under limits.	SPCB (PPCB).

Environmental Clearance (EC)	If the project or its expansion is under certain categories which have significant environmental impact.	Ministry of Environment, Forest & Climate Change (MoEFCC) or State-level authority (SEIAA), as per EIA Notification.
No Objection Certificate (NOC)	For various environmental aspects (from pollution boards), fire safety, building departments.	
Hazardous Waste Authorization	If the process generates hazardous waste (chemicals, metal waste, etc.).	From SPCB, and rules under Hazardous and Other Wastes (Management & Transboundary Movement) Rules.
Air Emissions Permit	For controlling emissions from furnaces, lasers, etc.	
Water Discharge Permit / Effluent Treatment	Where wastewater is generated in operations.	
Labour / Industrial Safety Compliance	Under Factories Act, Shops & Establishment Act, provision for worker safety, health.	

2. **General Corporate Purpose**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating ₹[●] lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

As per Regulation 230(2) of the SEBI (ICDR) Regulations, 2018 the amount for general corporate purpose, as mentioned in the object of the issue in this Draft Red Herring Prospectus shall not exceeds Fifteen per cent of the amount being raised by the issuer or ₹ 10 crores whichever is less.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Red Herring Prospectus, shall not exceed 15% of the amount raised by our Company through this Issue or ₹ 10 crores whichever is less. Further, in case our actual Issue expenses turn out to be lower than the estimated Issue expenses of ₹[●] lakhs, such surplus amount shall be utilised for general corporate purposes in such a manner that the amount for general corporate purposes shall not exceed 15% of the amount raised by our Company through this Issue or ₹10 crores, whichever is lower.

Issue Related Expenses

The estimated expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges, and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed ₹ [●] Lakh. The break-up of the same is as follows:

(₹ In Lakh)

Particulars	**Amount**	**% of total estimated expenses**	**% of total Issue size**
Lead manager(s) fees including underwriting commission, advisors and other experts.	[●]	[●]	[●]
Brokerage, selling commission and upload fees.	[●]	[●]	[●]
Registrars to the Issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Peer Review Auditor	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationary	[●]	[●]	[●]

Others, if any include Bankers to the Issue, Depository, certifications, miscellaneous, etc.	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Notes:

Selling commission payable to the SCSBs on the portion of Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

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

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

No processing/uploading charges shall be payable by our Company and the Selling Shareholder(if any) to the SCSBs on the applications directly procured by them.

The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE.

SCSBs will be entitled to a processing fee for processing the ASBA Form procured by the members of the Syndicate (including their sub-syndicate members), RTAs or CDPs from Individual Investors and Non-Institutional Investors (excluding UPI Bids) and submitted to the SCSBs for blocking as follows:

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

**Based on valid ASBA Forms*

Processing fees payable to the SCSBs for capturing member of the Syndicate /Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non- Institutional Investors with bids above ₹500,000 would be ₹ [•] plus applicable taxes, per valid application.

Brokerage/ Selling Commission on the portion for Individual Investors and Non-Institutional Investors which are procured by the members of the Syndicate (including their sub-syndicate members), RTAs, CDPs or for using 3-in1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-syndicate members) would be as follows: -
Selling commission on the portion for Individual Bidders using the UPI mechanism, Non- Institutional Bidder which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

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

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

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined:

i. *<u>For Individual Bidders & Non-Institutional Bidders (up to ₹ 5.00 Lakhs)</u> on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

ii. *<u>For Non-Institutional Bidders (Bids above ₹ 5.00 Lakhs)</u> on the basis of the Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub- Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB.*

The payment of selling commission payable to the sub-brokers / agents of sub-syndicate members are to be handled directly by the respective sub-syndicate member.

The selling commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE.
Uploading Charges (excluding UPI Bids):

Payable to members of the Syndicate (including their sub-Syndicate Members), on the applications made using 3-in-1 accounts, would be ₹ [•] plus applicable taxes, per valid application bid by the member of the Syndicate (including their sub-Syndicate Members),

Payable to the Registered Brokers on the portion for Individual Investors and Non-Institutional Investors which are directly procured by the Registered Brokers and submitted to SCSB for processing would be ₹ [•]/- per valid ASBA Form (plus applicable taxes).

Bid Uploading charges payable to the SCSBs on the portion of QIB and Non-Institutional Investors (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking and uploading would be ₹ [•] per valid application (plus applicable taxes)
Notwithstanding anything contained in (i) & (ii) above the total uploading fees and processing fees payable shall not exceed ₹ [•] Lakhs (plus applicable taxes) and in case if the total uploading fees and processing fees exceed ₹ [•] Lakhs (plus applicable taxes) then the uploading fees and processing fees will be paid on pro-rata basis.

The Bidding/uploading charges payable to the Syndicate/Sub-Syndicate Members, Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE.

Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of the Syndicate /Registered Brokers/ RTAs / CDPs (uploading charges)	*₹ [•] per valid application (plus applicable taxes)*
[Name of the Bank]	*₹ [•] per valid application (plus applicable taxes).* *The Sponsor Bank will be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable* *SEBI circulars, agreements and other applicable laws*

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Application Form above ₹ [•] Lakhs and the same Bid Cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum-application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for RIIs and NIIs bids up to ₹ [•] Lakhs will not be eligible for brokerage.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022,read with SEBI master circular no. SEBI/HO/MIRSD/POD- 1/P/CIR/2023/70 dated May 17, 2023.

No person connected with the distribution of the Issue to offer any incentive, direct or indirect, for making an application, except fees or commission for services rendered in relation to the Issue.

The Issue expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary, if any.

Schedule Of Implementation

We propose to deploy the Net Proceeds for the previously mentioned purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

(₹ in Lakh)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds	
		FY 2027	**FY 2028**
(a) Capital Expenditure	1300.00	600.00	700.00
Total (a)	**1300.00**	**600.00**	**700.00**

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

Deployment Of Funds

The Company has received the Sources and Deployment of Funds Certificate dated August 8, 2026 from Manoj K Goel & Associates, Chartered Accountants, the Statutory Auditors of our Company. As per the certificate, the Company had deployed ₹ 12.50 Lakhs towards Issue related expenses up to August 8, 2026, funded out of internal accruals. Details of the sources and deployment of funds as at that date, as per the certificate, are as follows:

(*₹ in Lakh*)

Particulars	Source of fund	Amount
Issue Expenses	Internal Accrual	12.50
Total		**12.50**

Appraisal by Appraising Agency

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and/or borrowings and/or unsecured loans.

Interim Use of Funds

Pending utilization for the purposes described above, we shall keep the funds in a separate monitoring account with [●], a scheduled commercial bank included in the second schedule of Reserve Bank of India Act, 1934.Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

Monitoring Utilization of Funds

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018, if the issue size, excluding the size of the offer for sale by selling shareholders, exceeds ₹5,000 Lakhs, the issuer shall make arrangements for the use of proceeds of the issue to be monitored by a credit rating agency registered with the Board.

Further, as per Regulation 262(5), in an issue where the issuer is not required to appoint a monitoring agency under this regulation, the issuer shall submit a certificate of the statutory auditor for utilization of money raised through the public issue (excluding offer for sale by selling shareholders) to the BSE SME exchange while filing the quarterly financial results, till the issue proceeds are fully utilized.

Additionally, as per Regulation 262(6), in an issue where working capital is one of the objects of the issue and the amount raised for the said object exceeds ₹500 Lakhs, the issuer shall submit a certificate of the statutory auditor to the BSE SME exchange while filing the quarterly financial results, for use of funds as working capital in the same format as disclosed in the offer document, till the proceeds raised for the said object are fully utilized.

As the size of the Issue will not exceed ₹5,000 lakhs, the appointment of a monitoring agency is not required in terms of Regulation 262(1) of the SEBI (ICDR) Regulations, 2018. The Company shall ensure that the Issue Proceeds are maintained in a designated bank account opened specifically for this purpose, and the utilization of the Net Proceeds will be monitored by our Board and management through its Audit Committee. Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall disclose to the Audit Committee, on a half-yearly basis, the application of the proceeds of the Issue. On an annual basis, our Company will prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and present it to the Audit Committee. Such disclosures shall be made until the proceeds of the Issue have been fully utilized. This statement will be certified by the Statutory Auditors of our Company.

Pursuant to Regulation 262 of the SEBI (ICDR) Regulations, 2018, our Company shall submit a certificate from the Statutory Auditors to the exchange while filing the quarterly financial results, confirming the utilization of money raised through the Issue until the proceeds are fully utilized.

Variation in Objects

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

Other Confirmations

No part of the Net Proceeds will be utilized by our Company as consideration to our Promoters, members of our Promoter Group, our Directors, our Group Companies or Key Managerial Personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with our Directors, our Promoters, the members of our Promoter Group, the Key Managerial Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects of the issue as set out above, except in the normal course of business and as disclosed in the sections titled "***Our Promoters and Promoter Group***" and "***Our Management***" as mentioned on page 160 and 146 of this Draft Red Herring Prospectus.

BASIS FOR ISSUE PRICE

*Investors should read the following summary with the "**Risk Factors**", the details about our Company under the "**Our Business**" and its financial statements under the "**Restated Financial Information**" beginning on page 22, page 109 and page 165 respectively of this Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment. All Accounting Ratios have been adjusted for the outstanding shares as on date of this Draft Red Herring Prospectus.*

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

A. Qualitative Factors

Some of the qualitative factors, which form the basis for computing the price, are:

(a) Manufacturing facility equipped for the production and assembly of power press machines.
(b) Location of the manufacturing unit supporting procurement, production, and distribution activities.
(c) Experience of the promoters in the machine tools and power press manufacturing industry.
(d) Management team with experience across manufacturing operations, sales, finance, quality control, and administration.
(e) Ongoing relationships with customers and suppliers.
(f) Relationships with key customers contributing to repeat business and order continuity.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled "***Our Business***" beginning on page 109 of this Draft Red Herring Prospectus.

Quantitative factors

The information presented in this section is derived from our Restated Financial Statements. For details, see "***Restated Financial Information***" on page 165. Investors should evaluate our Company and form their decisions taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic & Diluted Earnings Per Share (EPS)*:

Financial Year	Basic/ Diluted EPS	Weight
	(₹)	(x)
2025-26	16.93	3
2024-25	10.34	2
2023-24	4.25	1
Weighted Average EPS (₹)	**12.62**	**6**

Notes:
1. *The figures discussed above are based on the Restated Financial Statements of the Company.*
2. *The face value of each Equity Share is ₹10.*
3. *Basic and Diluted EPS= Restated profit for the year attributable to equity shareholders of the company divided by total number of equity shares outstanding.*

* (as adjusted for changes in capital).

2. Price to Price / Earning (P/E) Ratio in relation to Price band of ₹ [●] to ₹ [●] per Equity Share

Particulars	EPS (In ₹)	P/E Ratio at Floor Price (no. of times) *	P/E Ratio at Cap Price (no. of times) *
P/E ratio based on the Basic & Diluted EPS, as restated for	16.93	[●]	[●]

FY 25-26			
P/E ratio based on the Weighted Average EPS	12.62	[●]	[●]

** To be updated at Prospectus stage.*

3. Industry Price / Earning (P/E) Ratio

Particulars	P/E Ratio
Highest	Not Applicable
Lowest	Not Applicable
Average	Not Applicable

Notes:

1. *The industry high and low has been considered from the industry peer set provided later in this chapter.*
2. *The industry average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.*
3. *As there are no listed companies in India comparable to our Company, the industry price/earnings ratio has not been computed and is accordingly disclosed as Not Applicable.*

4. Return on Net Worth (RONW)

Financial Year	RONW	Weight
	(%)	(x)
2025-26	40.52	3
2024-25	60.57	2
2023-24	63.14	1
Weighted Average RONW	**50.97**	**6**

Notes:

1. *The figures disclosed above are based on the Restated Financial Statements of our Company.*
2. *Return on net worth %= Restated profit attributable to equity shareholders of the company divided by net worth of the company as at the end of the year.*
3. *Net worth = Aggregate value of equity shares capital and other equity created out of profits, securities premium account and debit and credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, derived from the restated summary statement, but does not include reserves created out of revaluation of assets and write-back of depreciation.*
4. *Weighted average = Aggregate of year-wise weighted RONW divided by the aggregate of weights i.e. (RONW x Weight) for each year/Total of weights.*

5. Net Asset Value (NAV)*

Financial Year	NAV per Equity Share
	(Amounts in ₹)
2025-26	41.78
2024-25	20.71
2023-24	8.16
NAV after the Issue (Cap Price) **	[●]
NAV after the Issue (Floor Price) **	[●]

Notes:

1. *Net asset value per equity share is calculated as net worth as of the end of relevant year divided the number of equity shares outstanding at the end of the relevant year.*
2. *Net worth = Aggregate value of equity shares capital and other equity created out of profits, securities premium account and debit and credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, derived from*

the restated summary statement, but does not include reserves created out of revaluation of assets and write-back of depreciation.

3. *Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time-weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year.*

***** (as adjusted for changes in capital).

*** To be updated at Prospectus stage.*

6. Comparison of Accounting Ratios with listed industry peers

As on the date of this Draft Red Herring Prospectus, there are no listed peers comparable to our Company. For further information on our business, kindly refer to the chapter titled "Our Business" beginning on page 109.

B. Price determination through Book-Building Process

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "***Risk Factors***", "***Our Business***", "***Management Discussion and Analysis of Financial Position and Results of Operations***" and "***Restated Financial Information***" on pages 22, 109, 169 and 165, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "***Risk Factors***" and you may lose all or part of your investments.

The Issue is a Book Built Issue and the pre-issue and price band for the same shall be published 2 working days before opening of the Issue in all editions of the English newspaper Financial Express, all editions of Hindi newspaper Jansatta and Regional newspaper Daily Suraj where the registered office of the company is situated, each with wide circulation.

The price band/floor price/issue price will be determined by the issuer in consultation with the BRLM, on the basis of book- building on the basis of assessment of the market demand from investors for the Equity Shares and shall be justified in view of the above qualitative and quantitative parameter.

C. Key Financial & Operational Performance Indicators (KPIs)

The KPIs disclosed and certified by the management have historically been utilized by our Company to evaluate and interpret business performance. These metrics assist in analysing the growth of various verticals and enable comparisons with industry peers.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 17, 2026 and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three-year period prior to the date of filing of this DRHP. Further, the KPIs herein have been certified by Manoj K Goel & Associates, Chartered Accountants, the Statutory Auditors of our Company, by their certificate dated August 8, 2026.

(i) A list of our KPIs for the financial years ended 31 March 2026, 31 March 2025 and 31 March 2024.

(Amounts in ₹ Lakhs)

Key Performance Indicator	Bhagya Machine Tools Limited		
	March 31, 2026	March 31, 2025	March 31, 2024
GAAP Financial Measures	-	-	-
Revenue from operations	6,838.42	6,544.35	3,330.61
Year-on-year growth in Revenue from Operations	4.49%	96.49%	-
PAT	821.00	501.72	206.20
PAT Margin (%)	12.01%	7.67%	6.19%
Net Worth	2,026.31	828.31	326.59

Debt	287.18	619.22	170.28
Current Ratio	2.35	1.89	1.35
Debt-Equity Ratio	0.14	0.75	0.52
Non-GAAP Financial Measures			
EBITDA	1,055.80	643.81	267.34
EBITDA Margin (%)	15.44%	9.83%	8.03%
ROE (%)	40.52%	60.57%	63.14%
ROCE (%)	44.21%	43.16%	52.08%
Cash Profit after tax	853.94	520.79	214.76
Operating Cash flow	(42.59)	(60.38)	(98.31)
Operational Measures			
Trade Receivable Days	70	48	66
Trade Payable Days	43	32	64
Inventory Days	84	48	39
Cash Conversion Cycle	111	64	41

Notes:

- *Revenue from operations is the total revenue generated by our Company from the sale of products.*
- *Year-on-year growth in Revenue from Operations is calculated by comparing the revenue of the current year with that of the previous year*
- *PAT is calculated as Profit before tax – Tax Expense's*
- *PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.*
- *Net worth has been computed as sum of share capital and reserves and surplus.*
- *Debt is calculated as the sum of all borrowings of the Company, including both long-term and short-term borrowings.*
- *Current Ratio is calculated as Current Assets divided by Current Liabilities.*
- *Debt-Equity Ratio is calculated as Total Debt divided by Shareholder's Equity.*
- *EBITDA is calculated as Profit before tax + Depreciation & Amortization + Interest Expense's -Others Income*
- *EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations*
- *Return on Equity is ratio of Profit after Tax and Shareholder Equity.*
- *Return on Capital Employed is calculated as EBIT divided by capital employed, being total shareholders' funds plus total borrowings.*
- *Operating Cash Flow is the restated cash flow of our operations.*
- *Trade Receivable Days are calculated by dividing the total trade receivables by the revenue earned during the period and then multiplying the result by 365.*
- *Trade Payable Days are determined by dividing the total trade payables by the COGS during the period and multiplying the outcome by 365.*
- *Inventory Days are determined by dividing the total inventory by the COGS during the period and multiplying the outcome by 365.*
- *Cash Conversion Cycle is determined by adding Trade Receivable Days and Inventory Days, then subtracting Trade Payable Days from the total.*

(ii) Explanation for KPI metrics

KPI	Description
GAAP Financial Measures	
Revenue from operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
Revenue Growth Year on Year	Revenue Growth measures the percentage increase or decrease in a company's revenue compared to the same period in the previous year.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Debt	Its shows the total borrowings that the company needs to repay over time.
Current Ratio	Current Ratio indicates the company's ability to meet its short-term obligations.
Debt-Equity Ratio	Debt- Equity Ratio shows the proportion of debt used to finance the company relative to equity. A higher ratio indicates higher financial risk.

Non-GAAP Financial Measures	
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
ROE (%)	ROE provides how efficiently our Company generates profits from shareholders' funds.
ROCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.
Cash Profit after tax	Cash Profit After Tax is the profit a company earns after paying taxes but adjusted to include non-cash expenses (like depreciation and amortization). It reflects the actual cash-based profitability rather than just accounting profit.
Operating Cash flow	Operating cash Flow reflects the company's ability to generate sufficient cash to maintain and grow operations, pay off debts, and reinvest in the business.
Operational Measures	
Trade Receivable Days	Trade receivable days show the average number of days a company takes to collect payments from its customers for goods or services sold on credit.
Trade Payable Days	Trade payable days indicate the average number of days a company takes to pay its suppliers for goods purchased on credit.
Inventory Days	Inventory days indicate the average number of days for which inventory is held by the Company before it is consumed in production or sold, and is an indicator of the efficiency of our inventory management.
Cash Conversion Cycle	Cash Conversion Cycle helps in measures the time (in days) it takes for a company to convert its investments in inventory and other resources into cash flows from sales. It reflects the efficiency of a company's working capital management.

The KPIs of our Company have been disclosed in the sections *"Our **Business"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** starting on pages 109 and 169 respectively.

(iii) We confirm that all Key Performance Indicators (KPIs) disclosed to investors over the past three years preceding the date of filing this Draft Red Herring Prospectus (DRHP) have been fully disclosed under the 'Basis for Issue Price' section of this document. These KPIs provide a comprehensive view of our operational and financial performance, ensuring consistency and transparency for prospective investors.

(iv) The Audit Committee of the Company has reviewed and verified the KPIs disclosed in this document. The Committee confirms that these KPIs are consistent with those previously disclosed to investors within the three years preceding the date of filing this DRHP. Furthermore, the Audit Committee ensures that the data has been audited and accurately reflects the company's performance, providing a reliable basis for determining the issue price.

D. Weighted Average cost of Acquisition

a. Price per share of our Company based on the primary issue of Shares

Other than as mentioned below, there has been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this Draft Red Herring Prospectus, excluding the shares issued under the ESOP Schemes and issuance of bonus shares, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days. The bonus issue of 30,00,000 Equity Shares allotted on December 20, 2025 has been excluded from the table below and from the computation of the weighted average cost of acquisition. The weighted average cost of acquisition of ₹ 44.35 per Equity Share has been computed as total consideration of ₹ 377.00 Lakhs divided by 8,50,000 Equity Shares.

Date of Allotment	Type of Issue	No. of Shares allotted	Face Value (INR)	Issue Price (INR)	Nature of Consideration	Nature of Allotment
31/12/2025	Right Issue	4,00,000	10	83	Cash	Right Issue

23/01/2026	Right Issue	4,50,000	10	10	Cash	Right Issue
Weight Average Cost of Acquisition						**44.35**

b. Price per share of our Company based on the secondary sale / acquisition of Shares

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Issue share 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. The only transfers of Equity Shares during the said period were the transfers dated November 14, 2025, which were affected by way of gift deeds without consideration and are accordingly excluded from this disclosure.

Date of Transaction	No. of Equity Shares transacted	Face Value (INR)	Transfer Price (INR)	Buyer	Seller
Nil	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Weight Average Cost of Acquisition					**Not applicable**

c. Floor price and cap price as compared to weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) as disclosed in terms of clause (a) (b) and (c), shall be disclosed in the following manner:

Past Transaction	Weighted Average Cost of Acquisition (₹)	Floor Price ₹ [●] *	Cap Price ₹ [●] *
Weighted average cost of acquisition for last 18 months for primary / new issue of shares (equity / convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	44.35	[●]	[●]
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares equity / convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	Not applicable – there were no such secondary transactions	Not applicable	Not applicable

Note:
**To be updated at Red Herring Prospectus stage*

e) Explanation for Cap Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (b) above) along with our Company's key performance indicators and financial ratios for the Fiscals 2026, 2025, and 2024.

[●]*
**To be included on finalization of Price Band.*

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors,
Bhagya Machine Tools Limited (Formerly known as Bhagya Steels Limited)
VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory,
Dehlon Road, Sub Tehsil Dehlon, Ludhiana, Punjab – 141206

Sub: Statement of Possible Special Tax Benefits Available to Bhagya Machine Tools Limited and its shareholders under direct and indirect tax laws

Dear Sirs,

We refer to the proposed initial public offering of equity shares (the "Issue") of the Company. We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the "Taxation Laws") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2025-2026 relevant to the financial year 2024-25 for inclusion in the Draft Red-Herring Prospectus / Red-Herring Prospectus / Prospectus ("**Offer Document**") for the proposed offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of taxation laws. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met
3. the revenue authorities' courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the offer document for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement**.**

This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).

Yours sincerely,

For Meenakshi Gujral & Co
Chartered Accountants
Firm Registration No: 015133N

Meenakshi Gujral
Partner
Membership No: 092171
Peer Review No: 015002

UDIN: 26092171BUVLFC1943
Date: 08-08-2026
Place: New Delhi

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by the Finance Act, 2025, i.e., applicable for Financial Year 2025-26 relevant to the Assessment Year 2026-27, presently in force in India.

A. SPECIAL TAX BENEFITS TO THE COMPANY

Section 115BAB, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that a domestic company set up and registered on or after October 1, 2019 and engaged in the business of manufacture or production of any article or thing may, at its option, be taxed at the rate of 15% (plus applicable surcharge and cess), provided that it has commenced manufacture or production on or before March 31, 2024 and satisfies the other conditions specified in that section, including that it is not formed by splitting up, or the reconstruction, of a business already in existence, that it does not use any machinery or plant previously used for any purpose (save to the extent permitted therein) or any building previously used as a hotel or a convention centre, and that its total income is computed without claiming the specified incentives or deductions or any set-off of loss or unabsorbed depreciation attributable thereto. Where a company opts for section 115BAB, the provisions of Minimum Alternate Tax under section 115JB would not be applicable and brought forward MAT credit will not be available for set-off. The option is required to be exercised in Form 10-ID on or before the due date for furnishing the first return of income and, once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it is a domestic company set up and registered on December 08, 2021, that it is engaged in the business of manufacture and production of power press machines, machinery parts and castings and has commenced manufacture or production on or before March 31, 2024, and that it has exercised the option available under sub-section (7) of section 115BAB of the Act. Accordingly, the Company has been assessed at the concessional rate of tax prescribed under section 115BAB of the Act for the assessment years 2024-25, 2025-26 and 2026-27, the provisions of section 115JB of the Act are not applicable to it, and it has not opted for section 115BAA of the Act. Save as stated above, the Company is not entitled to any special tax benefits under the Act.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 / Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars and Notifications ("GST law"), the Customs

Act, 1962, the Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2023 ("FTP") (collectively referred to as "Indirect Tax").

A. SPECIAL TAX BENEFITS TO THE COMPANY

There are no special tax benefits available to the Company under GST law.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

SECTION V- ABOUT THE COMPANY

OUR INDUSTRY

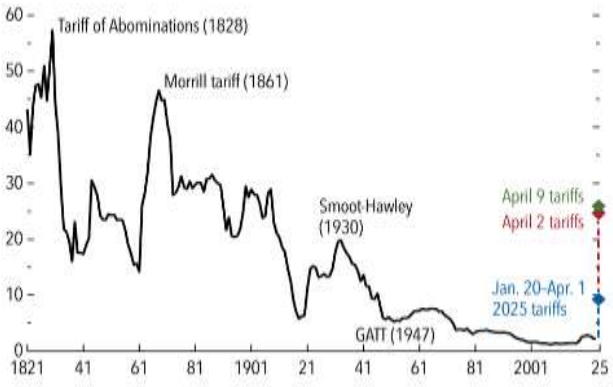
Disclaimer:

*The information presented in this section has been extracted from publicly available information, data, and statistics. This information, data, and statistics have been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue has verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness, and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled "**Risk Factors**" and "**Financial Statements**" and related notes beginning on pages 22 and 165 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.*

Global Outlook:

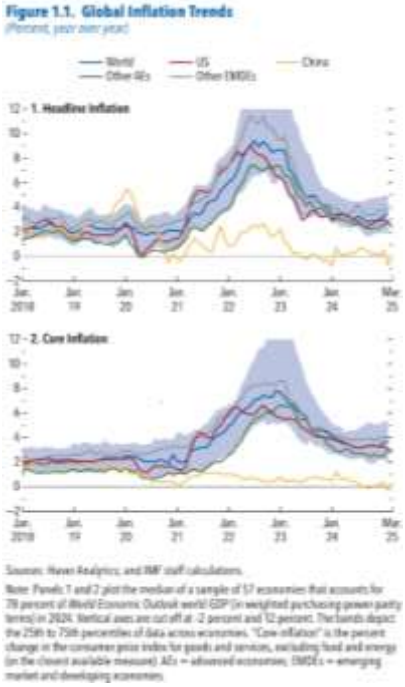
Following an unprecedented series of shocks in the preceding years, global growth was stable yet underwhelming through 2024 and was projected to remain so in the January 2025 World Economic Outlook (WEO) Update. However, the landscape has changed as governments around the world reorder policy priorities. Since the release of the January 2025 WEO Update, a series of new tariff measures by the United States and countermeasures by its trading partners have been announced and implemented, ending up in near-universal US tariffs on April 2 and bringing effective tariff rates to levels not seen in a century (Figure ES.1). This on its own is a major negative shock to growth. The unpredictability with which these measures have been unfolding also has a negative impact on economic activity and the outlook and, at the same time, makes it more difficult than usual to make assumptions that would constitute a basis for an internally consistent and timely set of projections.

Figure ES.1. US Effective Tariff Rates on All Imports
(Percent)



The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity. Under the reference forecast that incorporates information as of April 4, global growth is projected to drop to 2.8 percent in 2025 and 3 percent in 2026—down from 3.3 percent for both years in the January 2025 WEO Update, corresponding to a cumulative down grade of 0.8 percentage point, and much below the historical (2000–19) average of 3.7 percent.

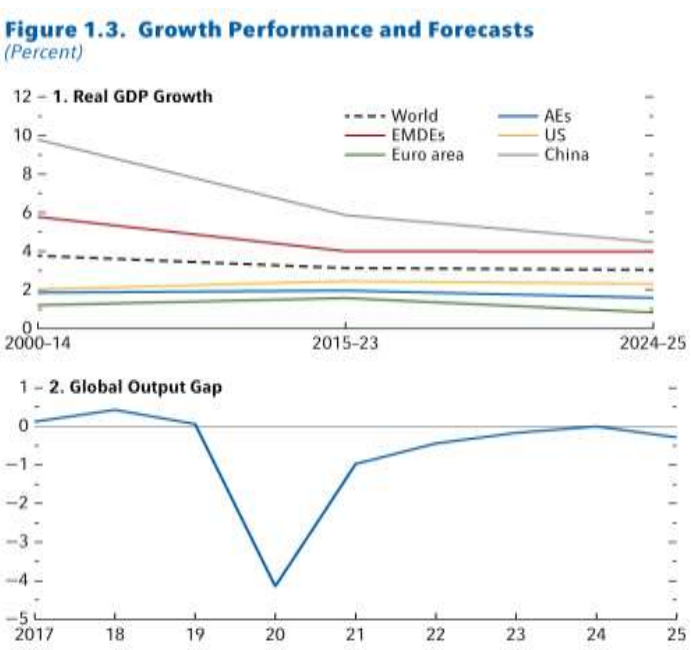
In the reference forecast, growth in advanced economies is projected to be 1.4 percent in 2025. Growth in the United States is expected to slow to 1.8 percent, a pace that is 0.9 percentage point lower relative to the projection in the January 2025 WEO Update, on account of greater policy uncertainty, trade tensions, and softer demand momentum, whereas growth in the euro area at 0.8 percent is expected to slow by 0.2 percentage point. In emerging market and developing economies, growth is expected to slow down to 3.7 percent in 2025 and 3.9 percent in 2026, with significant downgrades for countries affected most by recent trade measures, such as China. Global headline inflation is expected to decline at a pace that is slightly slower than what was expected in January, reaching 4.3 percent in 2025 and 3.6 percent in 2026, with notable upward revisions for advanced economies and slight downward revisions for emerging market and developing economies in 2025.



Intensifying downside risks dominate the outlook. Ratcheting up a trade war, along with even more elevated trade policy uncertainty, could further reduce near- and long-term growth, while eroded policy buffers weaken resilience to future shocks. Divergent and rapidly shifting policy stances or deteriorating sentiment could trigger additional repricing of assets beyond what took place after the announcement of sweeping US tariffs on April 2 and sharp adjustments in foreign exchange rates and capital flows, especially for economies already facing debt distress. Broader financial instability may ensue, including damage to the international monetary system. Demographic shifts and a shrinking foreign labour force may curb potential growth and threaten fiscal sustainability. The lingering effects of the recent cost-of-living crisis, coupled with depleted policy space and dim medium-term growth prospects, could reignite social unrest. The resilience shown by many large emerging market economies may be tested as servicing high debt levels becomes more challenging in unfavourable global financial conditions. More limited international development assistance may increase the pressure on low-income countries, pushing them deeper into debt or necessitating significant fiscal adjustments, with immediate consequences for growth and living standards. On the upside, a de-escalation from current tariff rates and new agreements providing clarity and stability in trade policies could lift global growth. The global economy is at a critical juncture. Signs of stabilization were emerging through much of 2024, after a prolonged and challenging period of unprecedented shocks. Inflation, down from multi decade highs, followed a gradual though bumpy decline toward central bank targets (Figure 1.1).

Labor markets normalized, with unemployment and vacancy rates returning to pre-pandemic levels (Figure 1.2). Growth hovered around 3 percent in the past few years, and global output came close to potential (Figure 1.3).

Recent data on real activity have been disappointing, with GDP growth in the fourth quarter of 2024 trailing the forecasts in the January 2025 World Economic Outlook (WEO) Update. High-frequency indicators such as retail sales and purchasing managers' surveys point to slowing growth. In the United States, consumer, business, and investor sentiment was optimistic at the beginning of the year but has recently shifted to a notably more pessimistic stance as uncertainty has taken hold and new tariffs have been announced. In labour markets, hiring has slowed in many countries, and layoffs have risen. Meanwhile, progress on disinflation has mostly stalled, and inflation has edged upward in some cases, with an increasing number of countries exceeding their inflation targets. Services inflation, though still on a downward trend, remains above levels prior to the inflation surge, and core goods inflation has seen an uptick since November 2024. Trade has held up, but this is mostly because of an increase in Chinese exports and US imports at the end of 2024, with consumers and businesses likely front-loading ahead of tariffs that were anticipated back then and now are in place.



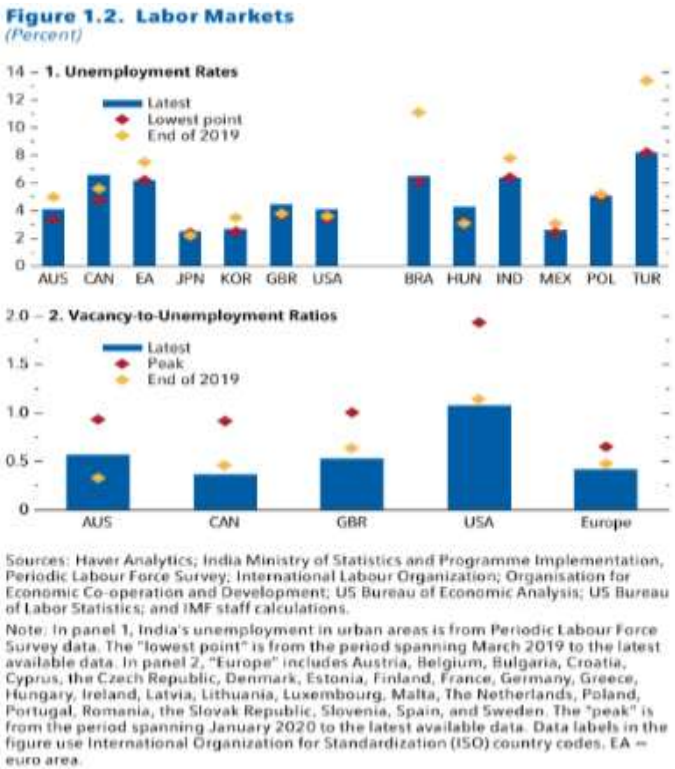


Table 1.1. Overview of the *World Economic Outlook* Reference Forecast
(Percent change, unless noted otherwise)

	2024	Projections 2025	2026
World Output	**3.3**	**2.8**	**3.0**
Advanced Economies	**1.8**	**1.4**	**1.5**
United States	2.8	1.8	1.7
Euro Area	0.9	0.8	1.2
Germany	-0.2	0.0	0.9
France	1.1	0.6	1.0
Italy	0.7	0.4	0.8
Spain	3.2	2.5	1.8
Japan	0.1	0.6	0.6
United Kingdom	1.1	1.1	1.4
Canada	1.5	1.4	1.6
Other Advanced Economies[2]	2.2	1.8	2.0
Emerging Market and Developing Economies	**4.3**	**3.7**	**3.9**
Emerging and Developing Asia	5.3	4.5	4.6
China	5.0	4.0	4.0
India[3]	6.5	6.2	6.3
Emerging and Developing Europe	3.4	2.1	2.1
Russia	4.1	1.5	0.9
Latin America and the Caribbean	2.4	2.0	2.4
Brazil	3.4	2.0	2.0
Mexico	1.5	-0.3	1.4
Middle East and Central Asia	2.4	3.0	3.5
Saudi Arabia	1.3	3.0	3.7
Sub-Saharan Africa	4.0	3.8	4.2
Nigeria	3.4	3.0	2.7
South Africa	0.6	1.0	1.3
Memorandum			
World Growth Based on Market Exchange Rates	2.8	2.3	2.4
European Union	1.1	1.2	1.5
ASEAN-5[4]	4.6	4.0	3.9
Middle East and North Africa	1.8	2.6	3.4
Emerging Market and Middle Income Economies	4.3	3.7	3.8
Low-Income Developing Countries	4.0	4.2	5.2
World Trade Volume (goods and services)	**3.8**	**1.7**	**2.5**
Imports			
Advanced Economies	2.4	1.9	2.0
Emerging Market and Developing Economies	5.8	2.0	3.4
Exports			
Advanced Economies	2.1	1.2	2.0
Emerging Market and Developing Economies	6.7	1.6	3.0
Commodity Prices (US dollars)			
Oil[5]	-1.8	-15.5	-6.8
Nonfuel (average based on world commodity import weights)	3.7	4.4	0.2
World Consumer Prices[6]	**5.7**	**4.3**	**3.6**
Advanced Economies[7]	2.6	2.5	2.2
Emerging Market and Developing Economies[8]	7.7	5.5	4.6

Source: IMF staff estimates.

Domestic imbalances and policy gaps give rise to unbalanced growth while opening up potential fragilities. In some countries, such as China, growth in 2024 has been mainly supported by external demand. On the contrary, in the United States, private consumption—traditionally the major contributor to GDP growth—as a share of GDP has reached its highest point during the 2020s, and the fiscal deficit remains historically large.

Most countries are not fully back to their inflation targets yet, but output gaps are more dispersed. In quite a few cases, fiscal policy remains accommodative even as monetary policy maintains a restrictive stance. The US economy was operating above its potential in 2024, relying heavily on strong domestic demand. Private consumption grew at an annual rate of 2.8 percent in 2024, in excess of its 2.4 percent historical (2000–19) average. However, in 2025, signs of a potential reversal have emerged. Consumer spending declined by 0.6 percent in January and remained subdued in February after expanding by 0.6 percent in December 2024, with the decrease likely reflecting a normalization of private consumption toward more sustainable levels and the negative impact of recurring policy shifts on economic sentiment. This signals a deterioration of the cyclical position of the US economy. The euro area has been in a cyclical rebound, but domestic demand has been subdued and, with the exception of Germany, the contribution of consumption growth may have peaked in its largest economies. Weak consumer sentiment and elevated uncertainty have raised precautionary saving while weighing down consumption growth (October 2024 Regional Economic Outlook: Europe). Manufacturing activity has remained weak on the back of persistently higher energy prices, while services have been the main growth driver, contributing to divergence among European countries, particularly those relying more heavily on these sectors, notably Germany versus Spain. For China, prolonged weakness in the real estate sector and its ramifications, including those for local government finances, have been key. When the pandemic seized the Chinese economy, signs of a downturn in the credit-fuelled property market were gathering. This homegrown vulnerability has depressed domestic demand, even as policymakers have searched for measures to tackle property market oversupply and bolster confidence. Indeed, consumer confidence in China, after a decade of moving closely with that in the rest of the world, plunged in early 2022 and has not recovered. Rising trade tensions and new tariffs over the past years have also disproportionately affected the Chinese economy. The rebalancing of growth drivers from investment and net exports toward consumption has paused amid continuing deflationary pressures and high household saving. Construction and real estate activity remains subdued, whereas industry, trade, and transport have been robust.

The swift escalation of trade tensions has generated extremely high levels of policy ambiguity, making it more difficult than usual to establish a central global growth outlook. Therefore, this WEO presents a range of global growth projections. First is a "reference forecast" based on measures announced as of April 4. This is what is presented in the tables of this report and the WEO database. Second, a pre–April 2 forecast (with a cutoff date of late March) incorporates all prior policy announcements and economic developments since the October 2024 WEO. Third, a post–April 9 model-based forecast is used to quantify the implications of the announced pause and associated additional exemptions, as well as the escalating tariff rates between China and the United States.

(Source: IMF - World Economic Outlook April 2025)

Indian Macro Introduction:

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP for FY25 is estimated at US$ 3.8 trillion with growth rate of 9.9%, compared to US$ 3.5 trillion in FY24. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY25. In FY25, India's exports stood at ₹ 37.31 lakh crore (US$ 433.56 billion), with Engineering Goods (26.88%), Petroleum Products (13.86%) and electronic goods (8.89%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing.

In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

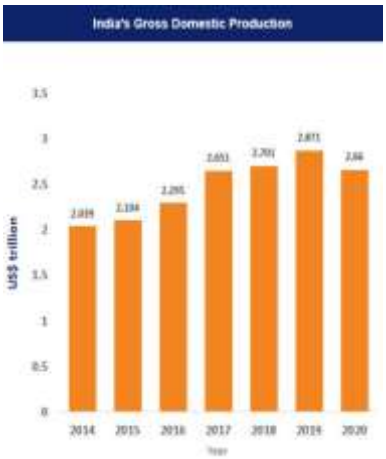
India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Market Size:

Real GDP for FY25 is estimated at ₹ 187.95 lakh crores (US$ 2.2 trillion) with growth rate of 6.5%, compared to ₹ 176.51 lakh crore (US$ 2.06 trillion) for FY24. As on Jan 2025, there are 118 unicorn startups in India, with a combined valuation of over ₹ 3.0 lakh crore (US$ 354 billion).

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. The Current Account Deficit (CAD) stood at ₹ 98,095 crore (US$ 11.5 billion) for Q3 of FY25 as compared to ₹ 88,712 crore (US$ 10.4 billion) in Q3 of FY24. This was largely due to increase in merchandise trade deficit.



Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US$ 1 trillion by 2030.

Recent Developments:

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- The HSBC India Manufacturing PMI increased to 58.4 in April 2025, up from 58.1 in March 2025, based on preliminary estimates. This rise signifies improved operating conditions and represents the most rapid growth pace observed in the past year. Contributing factors include a notable surge in new export orders, which experienced their most significant increase in over fifteen years, alongside a faster expansion in overall new business activity.
- In Q1 CY25, private equity (PE) and venture capital (VC) investments stood at ₹ 1,16,861 crore (US$ 13.7 billion) across 284 deals.
- India saw a robust 10.35% growth in passengers carried by domestic airlines at 431.98 lakh in FY25, from 391.46 lakh in FY24, according to the Directorate General of Civil Aviation (DGCA).
- As of April 18, 2025, India's foreign exchange reserves stood at ₹ 58,57,537 crore (US$ 686.70 billion).
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.
- The gross GST (Goods and Services Tax) revenue collection stood at ₹ 1.84 lakh crore (US$ 21.57 billion) in February 2025.
- Between April 2000–December 2024, cumulative FDI equity inflows to India stood at ₹ 89.88 lakh crore (US$ 1.05 trillion).

- In February 2025, the overall IIP (Index of Industrial Production) stood at 151.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 141.9, 148.6 and 194.0, respectively.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) – Combined inflation was 3.34% in March 2025 against 4.85% in March 2024.
- Foreign Institutional Investors (FII) inflows in FY25 were close to ₹ 1.27 lakh crore (US$ 14.89 billion), while Domestic Institutional Investors (DII) bought ₹ 6.00 lakh crore (US$ 70.34 billion) in the same period.
- India's wheat procurement rose 34% YoY, reaching 22.36 MT as of April 28, 2025, with target of 31 MT in sight. Strong MSP, bonuses, and robust crop output boost sales to government agencies, ensuring food security and potential for open market intervention.

Government Initiatives:

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- According to a report by Wood Mackenzie in January 2025, India, the United States, and West Asia are expected to collectively add 100 Gigawatts (GW) of solar capacity by 2025, while China is anticipated to continue its leadership in the solar industry.
- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at ₹ 32.07 lakh crore (US$ 383.93 billion) and ₹ 48.21 lakh crore (US$ 577.16 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at ₹ 47,65,768 crore (US$ 571.64 billion) of which total capital expenditure is ₹ 11,11,111 crore (US$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of ₹ 1,500 crore (US$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.

Road Ahead:

India's economy grew by 6.2% in Q3 FY25. Signs of recovery are now visible, with growth expected to rise to 7.6% in Q4 FY25—indicating a possible turnaround in the coming months. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of FY24 highlighted the unwavering support the government gave to its capital expenditure, which, in FY24, stood 37.4% higher than the same period last year. In the Union Budget of FY26, capital expenditure took lead by steeply increasing the capital expenditure outlay by 10.0 % to ₹ 11.21 lakh crore (US$ 131.42 billion) over ₹ 10.18

lakh crore (US$ 119.34 billion) in FY25. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

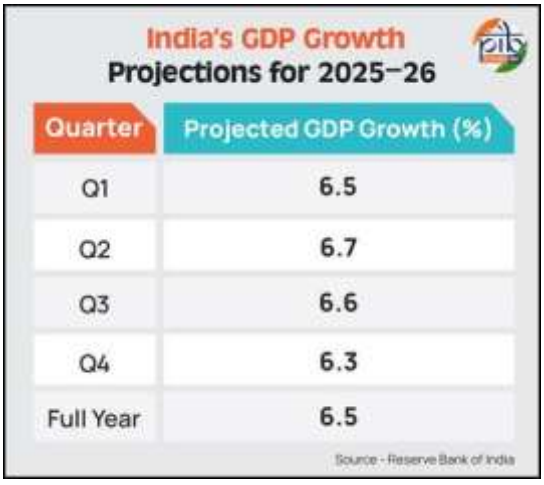
India's total exports of goods and services rose by 5.5% to a record ₹ 69.8 lakh crore (US$ 820.9 billion) in FY25, compared to ₹ 65.8 lakh crore (US$ 773.0 billion) in FY24.

With a reduction in port congestion, supply networks are being restored. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source: IBEF)

- India's real and nominal GDP are expected to grow at 6.4% and 9.7% respectively in FY25 as per 1st Advanced Estimates.
- India's nominal GDP is projected to grow by 10.1% in FY26.
- Supported by the Supply-side measures from the Government retail inflation remained within inflation-band of 4±2 per cent in FY 2024-25 (April-December).
- RBI projects inflation at 4.6% in Q1 and 4.0% in Q2 of FY26.
- Fiscal Deficit targeted at 4.8 per cent of GDP for FY 2024-25 (RE 2024-25), on track to attain below 4.5 % in FY 2025-26.
- Capital expenditure of ₹ 11.21 lakh crore (3.1 per cent of GDP) earmarked in FY 2025-26.
- India's merchandise exports grew at 1.6 % (YoY basis) while services exports recorded growth of 11.6 % (YoY basis) in April-December 2024.
- India's Current Account Deficit (CAD) moderated to 1.2 % of GDP in Q2 FY25 against 1.3 % of GDP in Q2 FY24.
- Revenue Deficit is on declining trend, expected to reduce from 4.8 per cent of GDP in FY 2024-25 to 4.4 per cent of GDP in FY 2025-26.
- Central Government Debt to GDP ratio is estimated to decline to 56.1 in FY 2025-26 from 57.1 in FY 2024-25.
- FDI inflow witnessed revival in FY 2024-25, increased from USD 42.1 billion (in April-October of FY 2023-24) to USD 48.6 billion (in the same period of FY 2024-25).
- India's foreign exchange reserves estimated at USD 640.3 billion at the end of December 2024, sufficient to cover about 90 per cent of the country's external debt.

(Source: pib.gov.in)



The Reserve Bank of India has projected real GDP growth at 6.5 per cent for 2025–26, maintaining the same rate as estimated for 2024–25, following a strong expansion of 9.2 per cent in the preceding year. The quarterly projections stand at 6.5 per cent in Q1, 6.7 per cent in Q2, 6.6 per cent in Q3, and 6.3 per cent in Q4. This marks a downward revision of 20 basis points from the February estimate, reflecting heightened global volatility. Agriculture remains on a positive footing, supported by healthy reservoir levels and robust crop production, which is expected to sustain rural demand. Manufacturing is showing early signs of revival amid improved business sentiment, and the services sector continues to demonstrate resilience.

On the investment side, activity is gaining pace on the back of higher capacity utilisation, continued government focus on infrastructure, and strong balance sheets of banks and corporates. Easing financial conditions have also aided this recovery. While services exports are likely to remain steady, merchandise exports could face headwinds from global uncertainties and trade disruptions. Looking ahead, the RBI has projected real GDP growth at 6.7 per cent for 2026–27, suggesting continued recovery momentum.

Inflation Outlook



Headline inflation eased during January and February 2025, driven by a sharp decline in food prices. With uncertainties around the rabi crop largely resolved, and second advance estimates indicating record wheat output and higher pulse production than last year, food inflation is expected to soften further. This favourable trend is supported by robust kharif arrivals and a sharp fall in inflation expectations over the next three and twelve months, as reflected in recent surveys. The decline in crude oil prices has further strengthened the disinflationary outlook. Accordingly, Consumer Price Index (CPI) inflation for 2025–26 is projected at 4.0 per cent, with quarterly estimates at 3.6 per cent in Q1, 3.9 per cent in Q2, 3.8 per cent in Q3, and 4.4 per cent in Q4.

While the inflation outlook appears stable, global uncertainties and the possibility of weather-related supply shocks continue to pose upside risks to the inflation path. The Reserve Bank of India has assumed a normal monsoon in framing its projections, and it considers the risks to be evenly balanced at this stage.

External Sector Snapshot

- **Robust Services and Remittances:** Services exports remained strong in January–February 2025, led by software, business, and transportation services. Net services and remittance receipts are expected to remain in large surplus, cushioning the merchandise trade deficit.
- **Sustainable Current Account Deficit:** The current account deficit (CAD) for both 2024–25 and 2025–26 is projected to stay well within sustainable levels, supported by resilient external inflows.
- **Mixed Investment Flows:** While gross FDI remained strong due to stable macroeconomic fundamentals, net FDI moderated because of higher repatriations and outward investments. Net FPI inflows touched USD 1.7 billion in 2024–25, driven by debt inflows despite equity outflows.
- **Healthy Forex Reserves:** As of April 4, 2025, India's foreign exchange reserves stood at USD 676.3 billion, offering an import cover of nearly 11 months and reflecting the strength of the external sector.

Liquidity and Financial Market Conditions

- **Liquidity Shortage and RBI Intervention:** In January 2025, the banking system faced a shortage of funds, known as a liquidity deficit. To address this, the Reserve Bank of India (RBI) provided up to ₹3.1 lakh crore on 23rd January through the Liquidity Adjustment Facility (LAF) – a tool that allows banks to borrow money from the RBI for short periods to manage temporary mismatches in cash flow.
- **Improved Liquidity Position:** The RBI later infused about ₹6.9 lakh crore into the system, and increased government spending in late March helped further. These actions improved the situation, and by 7th April 2025, the system had a liquidity surplus of ₹1.5 lakh crore – meaning there was more money available in banks for lending and investment.
- **Softening of Market Rates:** With more liquidity available, the Weighted Average Call Rate (WACR) – the average interest rate at which banks lend to each other overnight – declined and hovered close to the repo rate, which is the interest rate at which the RBI lends money to commercial banks. This indicates stable short-term borrowing costs.
- **Lower Funding Costs in Debt Market:** The difference between interest rates on Commercial Papers (CPs) and Certificates of Deposit (CDs) – short-term borrowing instruments used by companies and banks – and the 91-day Treasury Bill – a short-term government security – reduced. This narrowing of spreads means that borrowing became cheaper in financial markets. The RBI has stated it will continue to monitor these conditions and take action as needed to maintain sufficient liquidity.

(Source: PIB, RBI)

Indian Engineering and Capital Goods Industry:

India's Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others.

The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. Demand for engineering sector services is being driven by capacity expansion in industries like infrastructure, electricity, mining, oil and gas, refinery, steel, automobiles, and consumer durables.

India has a competitive advantage in terms of manufacturing costs, market knowledge, technology, and innovation in various engineering sub-sectors. India's engineering sector has witnessed remarkable growth over the last few years, driven by increased

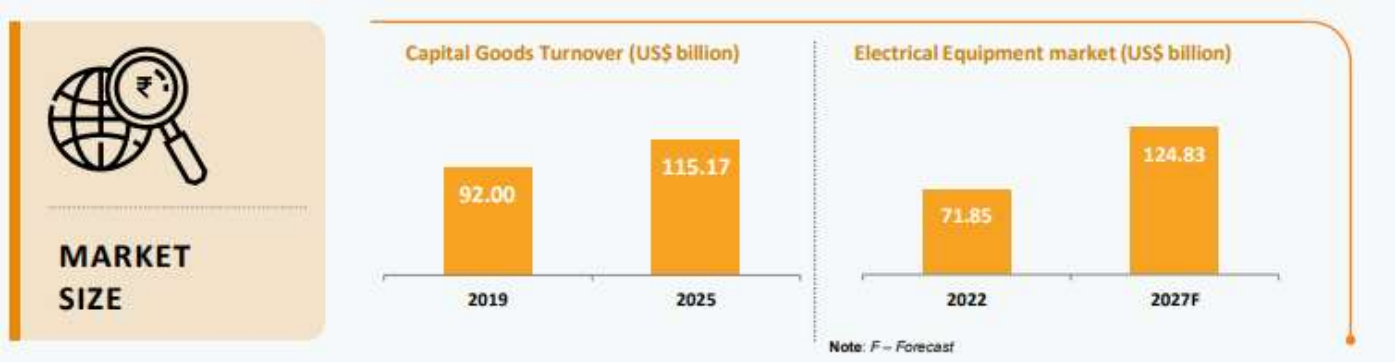
investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports.

India became a permanent member of the Washington Accord (WA) in June 2014. it is now part of an exclusive group of 17 countries that are permanent signatories of the WA, an elite international agreement on engineering studies and the mobility of engineers.

(Source: IBEF)

Market Size:



In FY25, exports of engineering goods reached at ₹ 9,86,328 crore (US$ 116.67 billion). The top 5 export destinations for engineering goods during FY25 were USA, UAE, Saudi Arabia, Germany and Italy. Capital Goods sector contributes 1.9% to overall India's GDP.

The Quick Estimates of IIP stands at 153.3 against 151.0 in June 2024. The Indices of Industrial Production for the Mining, Manufacturing and Electricity sectors for the month of June 2025 stand at 123.2, 152.3 and 217.1 respectively.
India's total installed power capacity reached 476 GW as of June 2025.

The heavy engineering and machine tools sector are a vital component of the capital goods industry. Currently, India's capital goods sector is receiving considerable focus due to its essential contribution to industrial growth and economic development. Notably, the production within this sector has surged from ₹ 2,29,533 crore (US$ 27.2 billion) in CY15 to ₹ 4,29,001 crore (US$ 50.7 billion) in CY24.

Government Initiatives:



MHI is implementing the Scheme for 'Enhancement of Competitiveness in the Indian Capital Goods Sector Phase 2' in order to facilitate adoption of Industry 4.0 and to promote investments in manufacturing sector, indigenization of technologies and creation / augmentation of common service infrastructure / Testing facilities. ₹ 250 crores have been allocated under this Scheme for Financial Year 2023-24.

- The Ministry of Heavy Industries (MHI) launched two Production Linked Incentive (PLI) Schemes, namely PLI Scheme for Automobile and Auto Component Industry, and PLI Scheme for National Programme on Advanced Chemistry Cell (ACC) Battery Storage.

- To increase the employability of engineering graduates in the country, AICTE (All India council of technical education) leadership is taking a lot of efforts and recommends model curriculum for engineering programs like AI, IoT, Robotics, Block chain, Machine learning, Data Science and Cyber security.

- In the Union Budget 2025-26, the government allocated ₹ 2,87,333 crore (US$ 330.8 billion) to the Ministry of Road Transport and Highways, a 2.4% rise over ₹ 2,80,500 crore in 2024-25.

- The Indian electrical equipment market is set to experience significant growth in the coming years, with a forecasted incremental growth of ₹ 6,44,533 crore (US$ 76.24 billion) at a compound annual growth rate (CAGR) of 14.3% from FY24 to FY28.

- India has constructed 5,614 kms of highways in FY25 comprising expressways, national, state highways, district and village roads.

- The automobile component industry turnover stood at ₹ 3.3 lakh crore (US$ 39.6 billion) during first half of FY25, registering a revenue growth of 11.3% as compared to first half of FY24.

- The All-India Council for Technical Education (AICTE) has launched educational books for diploma and under-graduate engineering courses in Marathi language so that students can learn better in their native language.

- The AICTE has entered into collaborations with the MSME ministry, NHAI and DM offices in 150 districts to facilitate engineering internships for students.

- Prime Minister Mr. Narendra Modi, on the country's 75th Independence Day, announced plans to invest ₹ 100 trillion (US$ 1.35 trillion) in infrastructure to stimulate economic development and generate employment.

Advantages of Engineering and Capital Goods in India:



- Robust Demand – The Indian electrical equipment market is set to experience significant growth in the coming years, with a forecasted incremental growth of ₹ 6,44,533 crore (US$ 76.24 billion) at a compound annual growth rate (CAGR) of 14.3% from FY24 to FY28.

  Market size for the Indian Construction Equipment Market stood at US$ 7.2 billion in FY23 and is forecasted to grow at a CAGR of 15% for next 5 years, as per the estimates of CII

- Policy Support –De-licensed engineering ector;100% FDI permitted. The capital goods sector in India benefits from a liberal policy regime, with no industrial licensing,100% FDI under the automatic route (except from land-border nations), unrestricted technology transfer payments, and no import or export restrictions.
  The National Capital Goods Policy (2016) aims to boost India's capital goods sector by raising its manufacturing share from 12% in 2016 to 20% by 2025, doubling production, increasing exports to 40% of output and advancing technology capabilities to global standards.
  Indian Electrical Equipment Industry Mission Plan (2012-22), aims to make India as a preferred destination for equipment to achieve an output of US$100 billion by balancing the trade deficit in the sector.

- Higher Investments – To enhance opportunities for private investment in infrastructure-Infrastructure Infrastructure Finance Secretariat is being established who will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power.

The Government's 'Vision Plan 2030' proposed an action plan to become a manufacturing and export hub for construction equipment and propel the development of world-class infrastructure in the country.

(Source - IBEF)

Opportunities:

In the Union Budget FY26, the government announced capex of ₹ 11,21,000 crore (US$ 128.42 billion) (3.1% of GDP).5,614 km highways built in FY25 vs 5,150 km target; record capex ₹ 2,50,000 crore (US$ 28.53 billion) (↑21% YoY, ↑45% vs FY23)

An Urban Infrastructure Development Fund (UIDF) will be managed by National Housing Bank, which will enable creation of infrastructure in Tier 2 and 3 cities by supporting viability gap funding, enabling creation of more bankable projects, enhancing access to external funding, among others.

Road Ahead:

India's engineering and capital goods sector is poised for strong and sustained growth, driven by infrastructure development, industrial expansion, and rising exports. The electrical equipment market alone is expected to grow by nearly US$ 33 billion between 2021 and 2025, supported by strong demand across power, manufacturing, and infrastructure. Similarly, the India Engineering Research and Development (ER&D) services market is estimated at US$ 133.71 billion in 2025 and is projected to reach US$ 217.90 billion by 2030, growing at a CAGR of 10.3%.

Construction and heavy machinery will remain critical growth drivers. The construction equipment market, valued at ₹ 69,046 crore (US$ 7.91 billion) in 2025, is projected to reach ₹ 1,02,827 crore (US$ 11.78 billion) by 2030, while equipment sales are expected to cross 165,000 units by 2028. The earthmoving and construction equipment (ECE) industry, already the third-largest globally, grew by 26% year-on-year to 135,650 units in FY24, with demand expected to accelerate further alongside infrastructure projects. The machine tools market, catering to automobiles and textiles, is also expected to touch US$ 2.5 billion by 2028, growing at a CAGR of 9.4%.

In the power and energy-linked segments, steady growth is anticipated. The steam boiler systems market is projected to reach nearly US$ 22.56 billion by 2027, while the generator sets market is expected to expand at over 5% CAGR through 2025. The power transformer market, valued at ₹ 16,063 crore (US$ 1.9 billion) in FY22, is expected to nearly double to ₹ 28,744 crore (US$ 3.4 billion) by FY30.

Automobiles and electric mobility will play a transformative role. Passenger vehicle sales touched a record 4.3 million units in FY25, while retail automobile sales grew 6.46% year-on-year. India's EV sector is accelerating rapidly, with total EV sales crossing 20 lakh in FY25, half of which came from electric two-wheelers. Exports also surged, with overall automobile exports rising 19% to 5.3 million units in FY25. Passenger vehicle exports hit an all-time high of 7,70,364 units, boosted by strong global demand for India-manufactured models.

India is also emerging as a significant player in high-value exports. Engineering goods exports are expected to reach US$ 200 billion by 2030, while medical devices exports are set to touch US$ 10 billion by 2025. The government is pushing to make India a major exporter of telecom equipment within the next two to three years, aligned with the Make in India initiative and broader efforts to improve ease of doing business.

Together, these trends indicate that India's engineering, capital goods, and allied industries will continue to grow as vital enablers of economic expansion, infrastructure development, and global trade leadership.

(Source: IBEF)

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OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the Twelve-month period that ended on March 31 of that year. In this section, a reference to the "Company" or "we", "us" or "our" means Bhagya Machine Tools Limited, on a Standalone basis as on the date of this Draft Red Herring Prospectus.

The financial information used in this section, unless otherwise stated, is derived from our restated financial information, as restated and prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations as included in this Draft Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Restated Financial Information" beginning on pages 22 and 165 respectively.

BUSINESS OVERVIEW

Our Company was incorporated as "Bhagya Steels Private Limited" on December 08,2021, as a private limited company, in accordance with the provisions of the erstwhile Companies Act, 2013, pursuant to a Certificate of Incorporation dated December 08,2021. Thereafter, our Company was converted from a private limited company to public limited company pursuant to special resolution passed in the Extra-Ordinary General Meeting of the company dated July 24, 2024 and consequently, the name of our Company was changed from "Bhagya Steels Private Limited" to "Bhagya Steels Limited" and a fresh certificate of incorporation dated September 05,2024 was issued to our Company by the Registrar of Companies, Chandigarh. Subsequently, the name of our Company was changed to "Bhagya Machine Tools Limited" pursuant to special resolution passed in the Extra-Ordinary General Meeting of the company dated November 17, 2025 and consequently a fresh Certificate of Incorporation dated November 27,2025 issued by Registrar of Companies, Chandigarh. The Corporate Identification Number of our Company is U27320PB2021PLC054838.

We are engaged in the manufacture and sale of machine tools, with a specific focus on power press machines, along with spare parts and components used in the production, maintenance, repair and replacement of power press machines. Our operations also include the manufacture of cast and machined parts through foundry and machining processes. In addition, we are engaged in the refurbishment, restoration and resale of used power press machines. Our product portfolio comprises both standard machine models and customised, made-to-order machines designed to meet specific customer requirements.

Our operations are supported by our manufacturing facility located at Ludhiana, which encompasses engineering, foundry, fabrication, machining, assembly, refurbishment, testing, painting and dispatch activities. Our power press machines and refurbishment projects are undertaken in accordance with customer specifications. Each order is systematically managed through the stages of planning, manufacturing, factory testing and final delivery.

Key Performance Indicators of our Company

(₹ In Lakhs)

Key Performance Indicator	31 March 2026	31 March 2025	31 March 2024
Revenue from operations	6,838.42	6,544.35	3,330.61
EBITDA	1,055.80	643.81	267.34
EBITDA Margin (%)	15.44%	9.83%	8.03%
PAT	821.00	501.72	206.20
PAT Margin (%)	12.01%	7.67%	6.19%
ROE (%)	40.52%	60.57%	63.14%
ROCE (%)	44.21%	43.16%	52.08%
Operating cash flow	(42.59)	(60.38)	(98.31)

Notes:

- *Revenue from operations is the total revenue generated by our Company from the sale of products.*
- *EBITDA is calculated as Profit before tax – Other Income + Depreciation & Amortization + Interest Expense's*
- *EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations*
- *PAT is calculated as Profit before tax – Tax Expense's*
- *PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.*
- *Return on Equity is ratio of Profit after Tax and Shareholder Equity*

- *Return on Capital Employed (%) is calculated as EBIT divided by Capital Employed, multiplied by 100. Capital Employed is calculated as the sum of total shareholders' funds and total borrowings*
- *Operating Cash Flow is determined by adding Non-Cash Expenses and Changes in Working Capital to Net Income.*

SWOT ANALYSIS

Strengths	Weaknesses
● In-house capabilities across design, fabrication, machining, assembly and testing. ● Portfolio covering C-Type and H-Type hydraulic and mechanical presses across customisable tonnage ranges along with their spare parts and components. ● Direct order-based sales enabling specification alignment and production planning to firm demand. ● Local sourcing of key inputs (steel, castings and forgings) reducing lead-time and import exposure. ● Established operations at Ludhiana with process flow from engineering to dispatch under one location.	● Concentration at a single manufacturing location, exposing operations to site-specific disruptions. ● Order-driven production may result in revenue lumpiness around acceptance of order and dispatch. ● Dependence on select domestic suppliers for critical bought-outs. ● Exposure to steel and input price volatility where pricing pass-through may be time-lagged.
Opportunities	**Threats**
● Replacement and capacity-addition demand in automotive, electrical, appliances, metal fabrication and general engineering. ● Upgrades to higher tonnage bands, special applications, and customised tooling solutions. ● Growth in service contracts, retrofits, overhauls and spares for installed base. ● Geographic expansion within India and selective exports, subject to meeting destination certifications. ● Vendor development and multi-sourcing to improve cost, quality and delivery reliability.	● Competition from domestic manufacturers and imported presses affecting pricing and order conversion. ● Cyclicality in end-user industries impacting order inflow and capacity utilisation. ● Changes in industrial safety and environmental norms requiring product or process modifications. ● Prolonged increases in input costs or supply disruptions for raw materials. ● Skilled manpower unavailability for fabrication and machining.

DETAILS OF THE MARKET

The machine tools segment is a core part of India's capital goods industry, serving engineering, automotive, electrical equipment, appliances, infrastructure and general manufacturing. Production indicators show expansion in capital goods output over the last decade, while public capital expenditure and production-linked incentive schemes support downstream capacity creation. The Indian machine tool market has been driven by metal cutting and metal forming demand across user industries. Domestic supply is concentrated among small and medium manufacturers, with product coverage spanning general and special purpose machines, computer numerical control equipment, gear cutting, grinding, electrical discharge machining, presses, press brakes, bending and pipe forming equipment.

End-market activity in automobiles, construction equipment, electrical systems and engineering drives procurement of new machines and replacement of legacy assets. Foundry capacity, with a large base of units, supports castings for machine builders. Export growth in engineering goods, industrial corridors, common engineering facility centres and technology platforms provide access to testing, collaboration and shared infrastructure. Foreign direct investment under the automatic route facilitates participation by global firms. Over the near to medium term, order flow is expected to track domestic capital expenditure, replacement cycles and compliance-linked upgrades in safety and quality across user industries.

FINANCIAL HIGHLIGHTS ON STANDALONE BASIS

(In Lakhs)

Particulars	31 March 2026	31 March 2025	31 March 2024
Share Capital	485.00	100.00	100.00
Net Worth	2,026.31	828.31	326.59
Revenue from Operations	6,838.42	6,544.35	3,330.61
Profit after Tax	821.00	501.72	206.20
Earnings per share Basic -Post private placement and Bonus	19.64	12.54	5.15
Net Asset Value per Equity Share (in ₹)	41.78	20.71	8.16
Total borrowings	287.18	619.22	170.28

Notes:

1. *Share capital=Paid up capital of the company.*
2. *Net worth=Restated Equity Share Capital plus Restated Reserves & Surplus.*
3. *Revenue from Operations = Restated Revenue from operations less Restated Other Income*
4. *Earnings per share (Basic & diluted) = Restated profit after tax for the period divided by Restated weighted average number of Equity Shares outstanding during the period.*
5. *Net Asset Value per Equity Share = Restated Net worth divided by the number of Equity Shares outstanding at the end of the relevant year.*
6. *Total borrowings= Long term borrowings plus short-term borrowings.*

Revenue Bifurcations:

a. in terms of products classification

(₹ In Lakhs)

Name of Products	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Power Press Machines	4818.82	70.47	5416.23	82.76	2558.00	76.80
Machinery Parts (Casting)	2019.60	29.53	1128.11	17.24	772.61	23.20

b. in terms of our manufactured products

(₹ In Lakhs)

Name of Products	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Power Press Machines	4818.82	70.47	5416.23	82.76	2558.00	76.80
Machinery Parts (Casting)	2019.60	29.53	524.67	8.02	522.42	15.69

c. in terms of traded products

(₹ In Lakhs)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Power Press Machines	-	-	-	-	-	-
Machinery Parts (Casting)	-	-	603.44	9.22	250.19	7.51

d. The % of contribution of our Company's Top 5 Customers vis-à-vis the revenue from operations respectively as of for the Fiscal 2024, 2025 and 2026 is as follows:

(₹ In Lakhs)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Customer 1	1239.39	18.12	756.32	11.56	1265.90	38.01

Customer 2	582.53	8.52	634.96	9.70	255.44	7.67
Customer 3	514.50	7.52	620.08	9.48	173.72	5.22
Customer 4	391.26	5.72	563.84	8.62	168.50	5.06
Customer 5	367.09	5.37	489.09	7.47	140.67	4.22

e. in terms of our Top 10, Top 5, Top 3 Customers vis-à-vis the revenue from operations respectively as of for the Fiscal 2024, 2025 and 2026 is as follows:

(₹ In Lakhs)

Particulars	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount	**In %**	**Amount**	**In %**	**Amount**	**In %**
Top 3 Customers	2336.42	34.17	2011.36	30.73	1695.06	50.89
Top 5 Customers	3094.77	45.26	3064.29	46.82	2004.24	60.18
Top 10 Customers	4508.85	65.93	4518.75	69.05	2504.91	75.21

GEOGRAPHICAL DISTRIBUTION

Name of the State	**Fiscal 2026**		**Fiscal 2025**		**Fiscal 2024**	
	Amount	**In %**	**Amount**	**In %**	**Amount**	**In %**
Gujarat	3.60	0.05%	–	–	–	–
Maharashtra	1242.99	18.18%	756.94	11.57%	250.755	7.53%
Uttar Pradesh	325.99	4.77%	–	–	–	–
Jammu and Kashmir	8.63	0.13%	–	–	–	–
Bihar	–	–	437.72	6.69%	–	–
Uttarakhand	–	–	173.44	2.65%	–	–
Delhi	–	–	563.83	8.62%	–	–
Chhattisgarh	–	–	291.71	4.46%	–	–
Haryana	–	–	5.00	0.08%	–	–
Punjab	5,257.21	76.88%	4,315.71	65.95%	3,079.855	92.48%
Total	**6,838.42**	**100.00%**	**6,544.35**	**100.00%**	**3,330.61**	**100.00%**

OUR BUSINESS MODEL

Our Company is engaged in the design, engineering, manufacturing and sale of power press machines, with H-Type and C-Type as parent platforms, along with their spare parts and components. The principal raw materials used across our operations are metal scrap, MS rounds and MS plates. The order cycle for power press machines begins with acquisition of purchase orders from industrial customers setting out technical specifications, tonnage, delivery schedules, quality requirements and commercial terms. Confirmed orders are translated into engineering releases and production plans. Manufacturing operations include fabrication, machining and assembly, functional testing and final inspection, followed by dispatch after factory acceptance testing, preservation and packing.

In fabrication, the body and structural frames of the machine are formed from MS sheets, components of round section are produced from MS rounds, and the remaining internal parts are manufactured in-house by melting metal scrap in the Company's cupola furnace and casting it, followed by machining and finishing. The Company manufactures and supplies the power press; electrical components, hydraulic pumps are not affixed by the Company in the machine and are arranged and fitted by the customer at their end.

The Company manufactures and sells a wide range of power press machine spare parts and other parts used for making, maintaining, repairing and replacing parts of power press machines, which can also be supplied loose to various power press machine vendors. This includes important cast and machined components that are used in power press machines and are also required for their regular

upkeep. These parts are produced through the Company's foundry operations, using metal scrap melted in the cupola furnace and MS rounds as applicable, along with related finishing and inspection activities, to ensure that they meet the required technical and quality standards. Raw materials are procured as per defined quality and delivery requirements, and after receipt, they are issued for production in line with manufacturing plans and available capacity.

The Company is further engaged in the refurbishment, restoration and resale of used and existing power press machines. Refurbishment activities include dismantling, inspection, replacement or reconditioning of worn-out parts and assemblies, rebuilding of structural and functional elements, fitment of required bought-out components, testing, painting and final inspection prior to resale. Such refurbished machines are supplied based on customer requirements relating to performance, operating condition, delivery timelines and commercial terms.

The manufacturing footprint supports end-to-end execution across the business cycle including, fabrication, machining, assembly, refurbishment, testing, painting and dispatch. Capacity is planned based on tonnage band, part requirements and refurbishment schedules. New products and parts follow internal processes for design validation, process qualification and operator training, with integration into production planning. Compliance with applicable industrial, safety and environmental requirements, including those relating to cupola furnace operations, is embedded in design practices, operating procedures, equipment selection and training.

The Company serves customers in metal fabrication and general engineering. Sales are influenced by application fit, availability of spare parts and replacement components, refurbishment capability, delivery lead time, lifecycle support and total cost of ownership relative to alternative forming solutions. The business model depends on maintaining product quality, on-time delivery, vendor reliability and cost discipline across procurement, manufacturing and refurbishment operations, and is scalable within the limits of order inflow, supplier capacity, manufacturing resources, skilled labour availability and adherence to customer and regulatory requirements.

PRODUCT AND PRODUCT RANGE

We design, manufacture and sell power press machines and related components and spares for metal forming applications. Our portfolio comprises machines offered in defined tonnage bands with standard stroke, shut height and bed sizes, which are configured to order based on customer requirements.

Power Press Machines:

- **C-Type Power Press:** A C-type power press is a gap-frame machine providing three-side access for part loading/unloading and tool changes. It is typically used for light-to-medium tonnage operations and high-mix production where accessibility and compact footprint are priorities.

- **H-Type Power Press:** An H-type power press is a straight-side frame machine designed to minimise deflection under load. The vertical uprights and tie structure maintain slide-to-bed parallelism during forming operations. H-type presses are suited for higher tonnages, progressive dies, deep drawing and applications requiring tight part tolerances.

Product and Product Definition	Applications	Photos
C- (American) Type Power Press A power press that uses strong force to shape metal. A heavy spinning wheel moves the top part, called the ram, up and down to press the metal into shape.	Used to cut, bend, punch and shape metal. It is an all-purpose machine for making parts used in machinery, tools, vehicles and everyday metal goods.	
H-Type Power Press A strong, heavy-duty power press with an "H"-shaped frame. The sturdy frame keeps the machine steady and accurate even during hard, heavy work.	used for cutting, punching, bending, forming and assembling metal parts. It is widely used in automotive, aerospace, machinery, fabrication, and heavy industrial manufacturing.	
H-Type Power Press with Pneumatic Clutch An H-type power press that uses compressed air to start and stop the machine. This lets it run quickly, smoothly and over and over with good control.	Ideal for fast, repeated jobs such as punching holes, stamping shapes, cutting out parts and bending sheet metal, which makes it useful in the automotive, appliance and fabrication industries.	

Cross Shaft Power Press Machine A power press with its main drive shaft placed across the frame and the flywheel on the side. This layout spreads the load evenly and gives smooth, steady power.	Suited to medium and heavy work such as cutting, punching, bending and shaping metal, and useful for making parts in larger quantities.	

**The images shown are AI-generated representations created for illustrative purposes only. While they are based on references to the machinery described, the actual equipment may vary in appearance, specifications, and features. These images should not be relied upon as exact depictions of the real machines.*

Machine Parts:

Product and Product Definition	Applications	Photos
Flywheel — A heavy wheel that spins to store energy and release it at the moment the machine presses the metal.	It keeps the machine running at a steady speed and gives the extra push needed for each pressing stroke.	
Shaft — A metal rod that carries turning motion and power from one part of the machine to another.	It connects the flywheel, gears and other moving parts, passing on the power that moves the press up and down.	
Wear Parts — Replaceable parts, such as bushes, guide strips and liners, that slowly wear out from rubbing and repeated use.	Used in power press machines as replacement parts during regular maintenance and repair to keep the machine working accurately.	

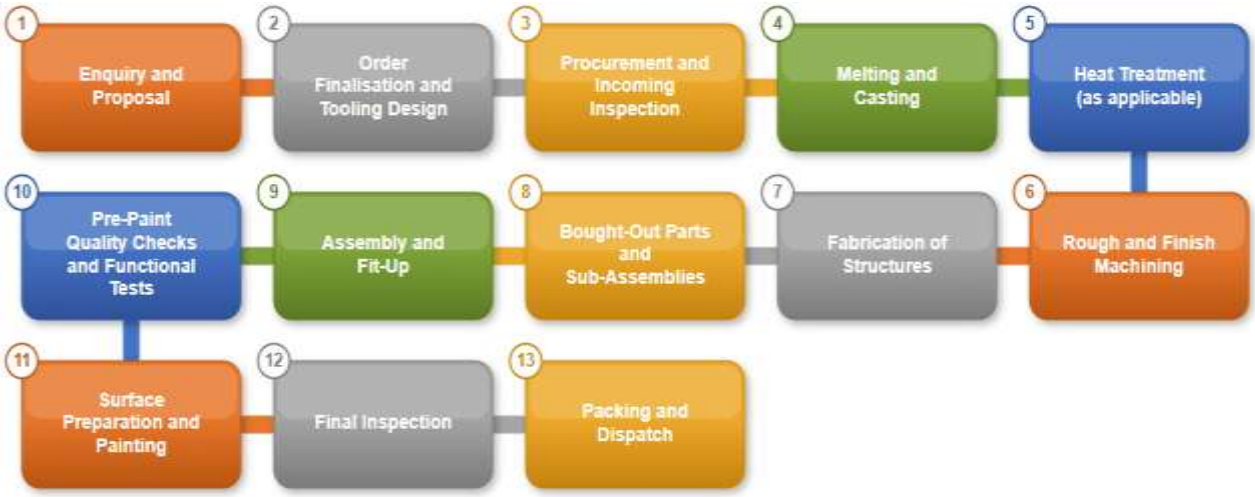
Product and Product Definition	Applications	Photos
Clutch — The part that connects and disconnects the spinning flywheel from the main shaft when needed.	It starts each working stroke and lets the operator control exactly when the machine moves.	
Brake parts – Parts that help slow down or stop machine movement.	Used in power press machines to control stopping action and improve operational safety.	
Gears — Toothed wheels that fit together to pass on motion and force between the spinning parts.	These are part of the drive system and help deliver power at the right speed and strength for pressing.	
Sprocket – A toothed wheel used to transfer motion through a chain.	Used in chain-driven systems, where applicable, in machinery and related equipment.	

**The images shown are AI-generated representations created for illustrative purposes only. While they are based on references to the machine parts described, the actual equipment may vary in appearance, specifications, and features. These images should not be relied upon as exact depictions of the real machine parts.*

BUSINESS PROCESSES

The Company designs, manufactures and sells power press machines on a make-to-order basis and related components and spares. The following process sets out the sequence from enquiry and engineering through manufacturing, testing and dispatch.

A. Manufacturing of Power Press machines:



Our Company makes power press machines to order, using its standard designs and drawings. The motor, electrical parts and hydraulic pump (where used) are supplied and fitted by the customer. Following is the process of manufacturing a power press machine:

1. **Enquiry and Proposal**
   - Receive enquiry.
   - Assess forming application (tonnage, stroke).
   - Determine press type, customisations (if any), controls, safety, accessories, and die/tooling scope.

2. **Order Finalisation and Tooling Design**
   - On purchase order, bill of materials (BOM), routing, and quality plan.
   - Prepare the material list, work sequence and check which required parts are already available in inventory.

3. **Procurement and Incoming Inspection**
   - Procure raw materials from local vendors (steel plates, castings/ingots, forgings).
   - Conduct incoming quality checks, dimensions; segregate non-conforming material.

4. **Melting and Casting**
   - Charge and melt metal in the furnace as per specification.
   - Prepare pit moulds/patterns; pour molten metal; allow controlled cooling and solidification.
   - Perform fettling and surface cleaning of cast parts.

5. **Heat Treatment (as applicable)**
   - Carry out normalising/stress relieving to achieve required mechanical properties.
   - Verify hardness and microstructure where specified.

6. **Rough and Finish Machining**
   - Undertake rough machining operations on lathe machines, drilling machines and shaping machines (turning, facing, milling, drilling, tapping) to achieve pre-finish dimensions.
   - Finalise dimensions and surface finish on lathe machines, grinder machines as per drawings and tolerances.
   - Conduct in-process dimensional inspection and gauge checks.

7. **Fabrication of Structures**
   - Cut (using hacksaw machines as required), bend and prepare plates and sections for frames, stencils and sub-assemblies.
   - Weld using welding machines; welds go through visual inspection and, critical welds may be tested further.
   - Carry out stress-relieving for welded structures if specified; machine mating surfaces.

8. **Bought-Out Parts and Sub-Assemblies**
   - Source metal sheets, nuts, rounds, flats and standard items for press fitment.
   - Carry out dimensional checks and trial fitting as applicable.

9. **Assembly and Fit-Up**

- Using the standard drawings, fixtures and the overhead crane, assemble the frame, shaft, ram/slide, bed and guides, drawing on parts already held in inventory.
- Fit the flywheel, clutch, brake, drive parts and safety guards.

10. Pre-Paint Quality Checks and Functional Tests

- Verify dimensional alignment, slide parallelism, guide clearances and fastener torque.
- Conduct dry-run cycles and functional checks of controls, emergency stop and interlocks.

11. Surface Preparation and Painting

- Prepare surfaces (degreasing, grinding on grinder machines as applicable).
- Apply primer and finish coats as per specification; allow curing.

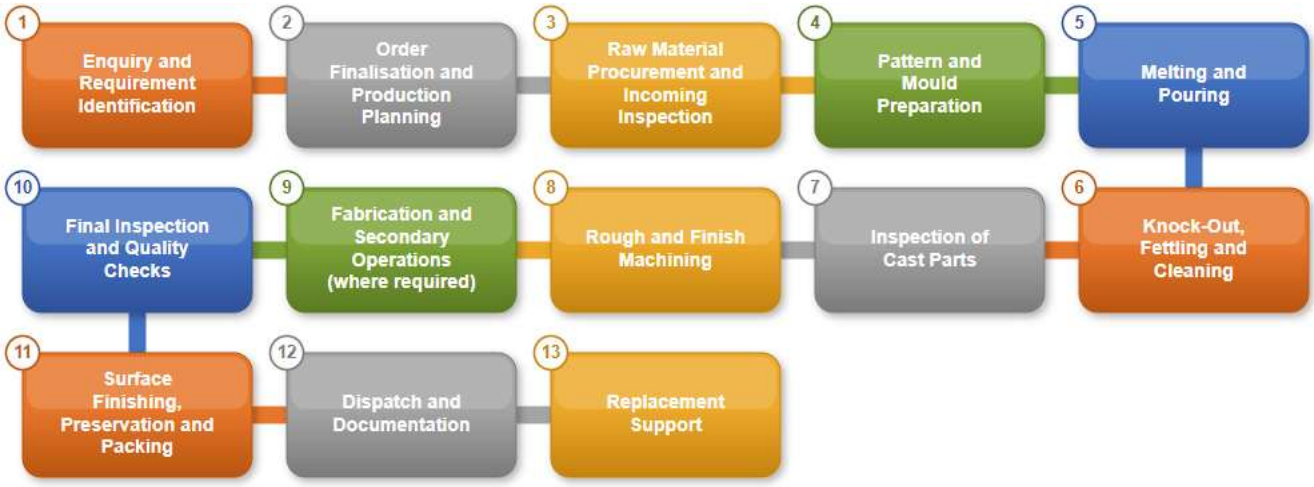
12. Final Inspection

- Perform post-painting inspection for finish, markings and safety labels.
- Complete final functional checks and acceptance criteria against the test plan.

13. Packing and Dispatch

- Apply corrosion protection, secure on skids and brace for transport.
- Load and dispatch by truck with documentation (invoice, delivery challan).

B. Process Flow for Manufacture of Machine and Spare Parts



The Company manufactures and sells spare parts, machine parts used in the manufacture, maintenance, repair and refurbishment of power press machines. The following process sets out the sequence from enquiry and planning through foundry operations, machining, inspection, dispatch and support.

1. Enquiry and Requirement Identification

- Receive enquiry or purchase order for spare parts, foundry parts or machine parts.
- Identify the part description, drawing, dimensions, material grade, quantity, application and delivery requirements.

2. Order Finalisation and Production Planning

- Finalise technical specifications, material requirements, production method and commercial terms.
- Prepare bill of materials, process routing, pattern requirement, machining plan and inspection stages.
- Release production instructions based on confirmed order quantity and delivery schedule.

3. Raw Material Procurement and Incoming Inspection

- Procure required raw materials and bought-out inputs as per approved specifications.
- Receive materials at the manufacturing facility and carry out incoming inspection.
- Segregate non-conforming material and release accepted material for production.

4. Pattern and Mould Preparation

- Prepare or arrange patterns, mould boxes and related foundry tools as per part design.
- Prepare moulds for casting based on required shape, size and production quantity.
- Verify mould readiness before pouring operations.

5. **Melting and Pouring**
   - Charge and melt metal in the furnace as per required material composition and process parameters.
   - Pour molten metal into prepared sand moulds in a controlled manner.
   - Allow 1 to 2 days for cooling and solidification of cast parts as per process requirements.

6. **Knock-Out, Fettling and Cleaning**
   - Remove castings from moulds after cooling.
   - Carry out fettling, removal of extra material, surface cleaning and dressing of cast parts.
   - Segregate castings for further inspection and processing.

7. **Inspection of Cast Parts**
   - Inspect cast parts for visible defects, dimensions and general conformity to specifications.
   - Identify parts requiring rework, rejection or further machining.
   - Release accepted castings for machining and finishing operations.

8. **Rough and Finish Machining**
   - Carry out rough machining operations to achieve pre-finish dimensions.
   - Undertake finish machining as per drawing requirements, tolerances and surface finish standards.
   - Perform in-process dimensional checks during machining.

9. **Fabrication and Secondary Operations (where required)**
   - Carry out drilling, tapping, shaping, fitting or minor fabrication operations, wherever required for the part.
   - Machine mating surfaces and prepare parts for assembly or direct dispatch.
   - Ensure compatibility of such parts with machine fitment and application requirements.

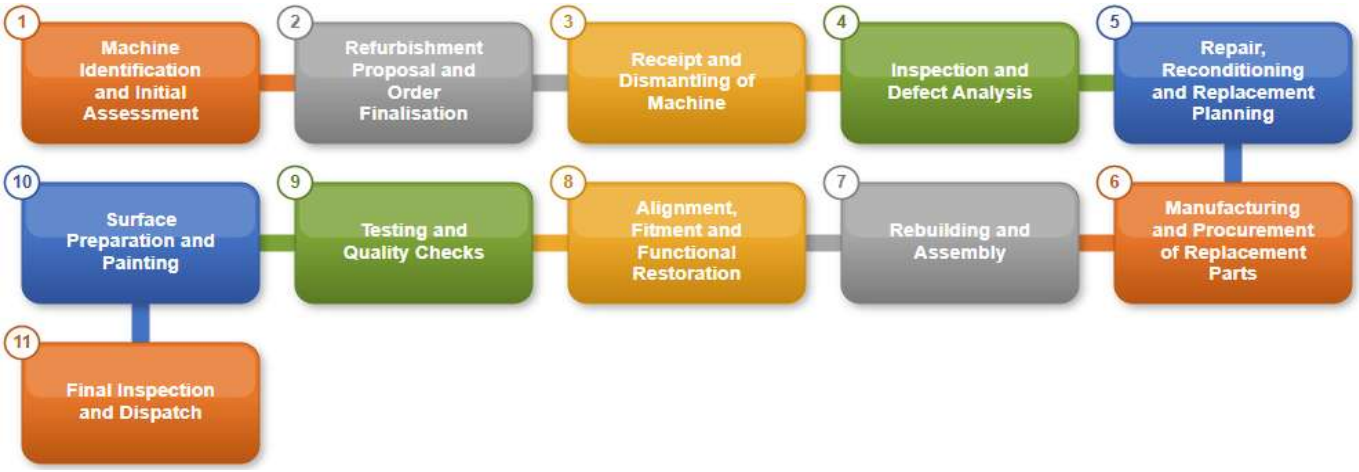
10. **Final Inspection and Quality Checks**
    - Conduct final dimensional and visual inspection of finished parts.
    - Verify critical parameters, fitment requirements and quality standards before approval.
    - Segregate accepted, rework and rejected parts as per quality procedure.

11. **Surface Finishing, Preservation and Packing**
    - Carry out surface cleaning, Removing sharp edges, marking and protective treatment, as required.
    - Apply preservation measures to prevent rust or transit damage.
    - Pack parts suitably based on size, quantity and dispatch mode.

12. **Dispatch and Documentation**
    - Prepare invoice, delivery challan and other dispatch-related documents.
    - Dispatch spare parts and machine parts to customers.

13. **Replacement Support**
    - Supply repeat orders, replacement parts and maintenance spares as required by customers.
    - Use market feedback and usage experience for process improvement and product reliability.

C. Process Flow for Refurbishing of Power Press Machines



The Company also undertakes refurbishment of used and existing power press machines. The following process sets out the sequence from machine assessment and dismantling through repair, reassembly, testing and dispatch.

1. **Machine Identification and Initial Assessment**
   - Receive customer enquiry for refurbishment of an existing machine or for purchase of a refurbished machine.
   - Inspect the machine at customer site or at the Company's facility to assess condition, technical issues, missing parts, wear and tear, and refurbishment scope.
   - Assess machine specifications and customer requirements, including machine type, tonnage, frame condition, major assemblies, desired performance, delivery expectations, and commercial terms.

2. **Refurbishment Proposal and Order Finalisation**
   - Prepare refurbishment scope covering repair, replacement, reconditioning and upgradation requirements.
   - Finalise commercial terms, delivery schedule and technical scope upon receipt of customer approval or purchase order.
   - Release refurbishment plan, parts list, repair routing and quality checkpoints.

3. **Receipt and Dismantling of Machine**
   - Receive the used machine at the manufacturing facility.
   - Carry out dismantling of major assemblies, sub-assemblies and worn-out components.
   - Segregate reusable parts, repairable parts and parts requiring replacement.

4. **Inspection and Defect Analysis**
   - Conduct detailed inspection of frame, bed, ram/slide, shafts, gears, guides, housings and other critical parts.
   - Check dimensions, alignment, cracks, wear, corrosion and operational defects.
   - Identify parts to be re-machined, reconditioned, newly manufactured or procured.

5. **Repair, Reconditioning and Replacement Planning**
   - Prepare a detailed plan for repair and rebuilding of the machine.
   - Undertake reconditioning of reusable components through machining, grinding, welding or fitment correction, as required.
   - Arrange for manufacture or procurement of replacement parts and bought-out items required for refurbishment.

6. **Manufacturing and Procurement of Replacement Parts**
   - Manufacture required spare parts, cast parts and machined parts in-house, wherever applicable.
   - Procure bought-out items such as bearings, valves, hoses, fasteners and standard components.
   - Inspect all replacement and bought-out parts before use in refurbishment.

7. **Rebuilding and Assembly**
   - Rebuild the machine using repaired, reconditioned and newly fitted parts.
   - Assemble frame, ram/slide, bed, guides, shafts and other major assemblies as per refurbishment plan.

8. **Alignment, Fitment and Functional Restoration**
   - Carry out alignment of moving parts and fitment of critical assemblies.
   - Check guide clearances, shaft movement, parallelism, fastener tightening and overall machine balance.
   - Restore the machine to the required operating condition based on customer requirements.

9. **Testing and Quality Checks**
   - Conduct trial runs and functional checks of the refurbished machine.
   - Test performance of operating systems, safety controls, interlocks and machine movement.
   - Verify that the refurbished machine meets the required acceptance criteria before release.

10. **Surface Preparation and Painting**
   - Clean the machine and prepare surfaces for painting.
   - Carry out grinding, surface finishing, primer application and final painting, as required.
   - Ensure visual finish, markings and presentation are completed before dispatch.

11. **Final Inspection and Dispatch**
   - Perform final inspection of the refurbished machine for quality, safety and operational readiness.
   - Complete dispatch documentation and pack the machine suitably for transportation.
   - Dispatch the refurbished machine to the customer.

CAPACITY UTILISATION

Our power press machine operations involve non-standard, customer-specific machines across different tonnage ranges. The same plant and equipment are used interchangeably for various product lines and machine variants and, since production is based on customised orders rather than a standardised product catalogue with fixed processing time or routing, installed capacity in terms of units per annum and conventional capacity utilisation cannot be meaningfully determined for that line. Production output in any period depends on the product mix, machine size, technical complexity, engineering requirements and order scheduling.

Our casting operations, which are carried out through the cupola furnace capitalised on November 28, 2024, are capable of measurement. Gourav Gupta, Chartered Engineer (Membership No. M-116012, Institution of Engineers (India)), has by his certificate bearing No. GGL/9/2026-27 dated August 10, 2026, following a visual inspection of our manufacturing unit at VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub-Tehsil Dehlon, Ludhiana on August 10, 2026, certified the installed capacity and capacity utilisation of that line as set out below:

Particulars	Unit	Fiscal 2024	Fiscal 2025	Fiscal 2026
Available capacity	MT per annum	–	2,544	7,488
Capacity utilisation	MT per annum	–	854	6,821
Capacity utilisation	%	–	34	91

Notes to the table above, as recorded in the certificate:
1.The cupola furnace was capitalised on November 28, 2024 as per the fixed asset register. Installed capacity for Fiscal 2025 is stated on a pro-rata basis for 106 working days (November 28, 2024 to March 31, 2025, on a six-day week) at a melting rate of 3 MT per hour for 8 hours a day, that is 24 MT per day, and is not annualised. Installed capacity for Fiscal 2026 is annualised over 312 working days (Sundays excluded) at the same rate of 24 MT per day.
2.Actual production for both years has been estimated from scrap consumption, converted at an assumed scrap rate of ₹ 40,000 per MT and a melting yield of 90%. For Fiscal 2025, scrap consumed of ₹ 379.47 Lakhs equates to 948.7 MT of input and 854 MT of output; for Fiscal 2026, scrap consumed of ₹ 3,031.71 Lakhs equates to 7,579.3 MT of input and 6,821 MT of output.
3.Our Company did not operate a cupola furnace during Fiscal 2024 and accordingly no installed capacity or capacity utilisation is reported for that year.

COLLABORATIONS/ TIE-UPS/ JOINT VENTURES

The Company does not have any Collaboration/Tie Ups/ Joint Ventures, as on date of Draft Red Herring Prospectus.

SUBSIDIARIES/ ASSOCIATE COMPANIES

The Company does not have any subsidiaries or associate companies, as on date of Draft Red Herring Prospectus.

EXPORT AND EXPORT OBLIGATION

The Company does not have export sales. The Company does not have any export obligations, as on date of this Draft Red Herring Prospectus.

HUMAN RESOURCES

Our Company believes that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business.

S. No.	Department	No. of Employees
1	Executive Directors	02
2	Key Managerial Person (other than Executive Directors)	02
3	Accounts Department	01
4	Machine Operator	05
5	Foreman (Supervisor)	01
	Total	11

Our Company has total employed around 11 employees, including KMPs, as on March 31,2026. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans.

The department-wise break-up above and the attrition figures below have been certified by Manoj K Goel & Associates, Chartered Accountants, the Statutory Auditors of our Company, by their certificate dated August 8, 2026.

Our Company holds an Employees' Provident Fund registration bearing No. LDLDH2532387000 and an Employees' State Insurance registration bearing No. 26000561170000503, each issued by the respective authority at Ludhiana. None of the employees of our Company fell within the wage thresholds prescribed for coverage and contribution under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 or the Employees' State Insurance Act, 1948 during the financial years ended March 31, 2024, March 31, 2025 and March 31, 2026. Accordingly, no contributions were payable or made under either enactment during those years, and no returns were required to be filed, as confirmed by our Statutory Auditors and as disclosed in Annexure 10 to the Restated Financial Information. Professional tax of ₹ 0.02 Lakhs was remitted in respect of 11 employees during the financial year ended March 31, 2026.

Our Company has not engaged any contract labour as on the date of this Draft Red Herring Prospectus and has not been involved in any labour dispute, strike or lock-out. Our employees are not unionised.

Our Employee Benefits Expenses as a % of our Revenue are as follow:

Particulars (in Lakhs)	March 31,2026	March 31,2025	March 31,2024
Employee Benefit Expenses	49.52	44.66	17
Total Revenue	6,838.44	6,544.42	3,332.18
% of Total Revenue	0.72%	0.68%	0.51%

Attrition rate of the company's employees in the last 3 years and stub period:

Particulars	March 31,2026	March 31, 2025	March 31, 2024
Total Employees	11	11	9
Left during the year	2	1	3
Attrition Rate	18.18%	9.09%	33.33%

MARKETING STRATEGIES

Customer acquisition across segments is undertaken through the Company's relationship with dealers and wholesalers engaged in the sale and distribution of power press machines, spare parts and components. The Company sells its products through dealers and wholesalers and does not sell directly to end users. Business development is undertaken through interactions with dealers and wholesalers, customer references, repeat business, word-of-mouth and relationships with traders and intermediaries in Ludhiana and other industrial markets. The Company engages with dealers and wholesalers through product discussions, factory visits, machine

or component inspections and application-based discussions. Sales are supported by the Company's manufacturing, machining, assembly and refurbishment capabilities.

The Company supplies new power press machines, spare parts and refurbished machines based on requirements communicated through machine dealers and wholesalers.

BUSINESS STRATEGY

To sustain growth and remain competitive, the company has developed a comprehensive business strategy focusing on operational efficiency and market expansion. These strategic objectives aim to optimize product offerings, streamline customer experiences, and extend geographical reach, positioning the company effectively. Below is an outline of the key initiatives:

1. **Expanding presence through established dealers and wholesalers:** Serve customers in metal fabrication, general engineering and allied industries, including small and medium enterprises, through established dealers and wholesalers engaged in the sale of power press machines, spare parts, components and refurbished machines. Expand sales in Ludhiana and other manufacturing clusters through repeat orders, customer references, word-of-mouth and established relationships with dealers, wholesalers, traders and other intermediaries.

2. **Leveraging integrated manufacturing capabilities:** Utilise the Company's in-house capabilities across melting and casting, machining, fabrication, assembly, testing, painting and dispatch to execute manufacturing and refurbishment activities. Coordinate production activities with orders received from established dealers and wholesalers and manage manufacturing, testing and dispatch in accordance with agreed delivery schedules.

3. **Improving cost and working-capital efficiency:** Source raw materials and bought-out items from vendors based on quality, price and delivery requirements. Align procurement and material release with production schedules, manage inventory levels and control costs through material planning, process control and reduction of rework.

4. **Strengthening quality, compliance, commercial discipline and governance:** Maintain product quality through defined inspection and testing procedures, comply with applicable industrial, safety and environmental requirements, and apply a cost-based pricing approach. Define the scope of supply, delivery schedules, payment terms and warranty conditions for transactions undertaken through established dealers and wholesalers. Periodically review and update standard operating procedures and monitor key operating indicators in accordance with the scale of the Company's operations.

5. **Enhancing after-sales support and installed-base engagement:** Provide maintenance assistance and spare and replacement parts for power press machines sold through established dealers and wholesalers. Continue to support requirements for spare parts and components arising from machines supplied through such sales channels.

INTELLECTUAL PROPERTY

We have applied for Trade Mark particulars whereof are as under:

S.No.	Trademark Image	Type of trademark	Class	Date of Application	Current Status	Application No.
1.	Bhagya Machine Tools	Wordmark	7	01/12/2025	Ready for Examination	7373788

There are domains registered in the name of our Company, particulars whereof are as under:

S. No.	Nature of IP	Domain Addresses	Registration date	Expiry date
1	Website	bhagyamachinetools.com	03/11/2025	03/11/2026

INSURANCE

Sr. No	Insurance Company	Policy Number	Name Of Insured/ Proposer	Period Of Insurance	Details	Sum Assured (₹ In Lakhs)	Premium Paid (Amount In ₹)
1	ICICI Lombard General Insurance Company Limited- Burglary Insurance	4002/430161352/00/000	Bhagya Machine Tools Limited	25/02/2026 To 24/02/2027	Burglary Insurance	380.00	4,932
2	ICICI Lombard General Insurance Company Limited- Fire Insurance	1021/430161355/00/000	Bhagya Machine Tools Limited	25/02/2026 To 24/02/2027	Fire Insurance	380.00	30,997
3	Bajaj Allianz General Insurance Limited - Flexi Commercial Property Guard	OG-26-1213-4057-00000009	Bhagya Steel Limited	28/11/2025 To 27/11/2026	Property, Plant And Machinery Insurance	501.00	40,200

PLACE OF BUSINESS OF THE COMPANY

Sr. No.	Description of the Property	Name of Lessor/Landlord	Lease/ Rented/ Owned	Tenure	Lease Rent (monthly)	Purpose
1.	998.21 Sq. Yards situated in Khata No. 106/122 in Khasra Nos. 18//4 (7 Kanals – 11 Marlas), 18//5/2 (7 Kanals 2 Marlas) in Village Paddi, Hadbast No. 254, Sub- Tehsil Dehlon, District Ludiana.	NA	Owned by our Company	Not applicable	NA	Registered Office and Workshop
2.	4,111 sq. yards at VPO Paddi, Hadbast No. 256, Sub-Tehsil Dehlon, Ludhiana, Punjab – 141206	Sparsh Kumar	Rented	11 months, valid up to 04.05.2027	75,000	Proposed Induction Melting Furnace
3.	306, 3rd Floor, SCO 14, Skyland Private Limited Tower, Feroze Gandhi Market Ludhiana 141001 PB	Arvind Goldie	Rented	11 months, valid up to 17.05.2027	25,000	Corporate Office

RAW MATERIALS & SUPPLY

Our raw material requirements include:

S. No	Raw material	Description
1.	Cast iron scrap and mild steel scrap	Ferrous feedstock (charge material) melted in the Company's cupola furnace. The molten metal is poured into pit moulds to produce cast machine frames, bodies and internal sub-parts, as well as cast components used in spare parts and refurbishment work.
2.	Mild steel plate	Flat mild-steel stock that is cut, bent, welded and machined during fabrication to form the structural frames, bodies, brackets, covers and guards of the power press machines and their sub-assemblies.
3.	Mild steel round	Round-section mild-steel bar used to manufacture shafts, pins and other cylindrical components, which are then machined (turning, drilling, tapping and finishing) to the required dimensions before assembly.

The % of contribution of our Company's Top 5 Suppliers vis-à-vis total purchase respectively as of for the Fiscal 2024, 2025 and 2026 is as follows:

(₹ In Lakhs)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Supplier 1	2756.27	42.46	2472.05	39.51	1048.69	31.75
Supplier 2	516.92	7.96	1503.80	24.03	554.69	16.80
Supplier 3	386.40	5.95	690.25	11.03	448.26	13.57
Supplier 4	356.02	5.48	427.53	6.83	354.42	10.73
Supplier 5	329.99	5.08	385.51	6.16	273.09	8.27

In terms of our Top 10, Top 5, Top 3 Suppliers vis-à-vis total purchase respectively as of for the Fiscal 2024, 2025 and 2026 is as follows:

(₹ In Lakhs)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Top 3 Suppliers	3659.58	56.38	4666.10	74.57	2051.63	62.12
Top 5 Suppliers	4345.59	66.95	5479.13	87.57	2679.15	81.12
Top 10 Suppliers	5383.12	82.93	6164.19	98.51	3246.13	98.29

PLANT AND MACHINERY

Machine	Machine Definition	Machine Photos*
Radial Drilling machine	A heavy-duty machine tool with a rotating arm that allows the drill head to move freely. This makes it easy to drill holes at different positions on large or fixed workpieces.	
Cupola Furnace	A vertical melting furnace used in foundry operations for melting ferrous metal by using coke as fuel. It is commonly used for continuous melting of metal for casting applications. It is used in the Company's foundry operations for melting metal required for manufacture of cast parts, spare parts and other machine components used in power press machines and refurbishment work.	
Lathe Machine	A machine tool that rotates a workpiece while a cutting tool shapes it to the required size and design. It is commonly used for turning, facing, and drilling operations on materials such as metal, wood, and plastic.	

Machine	Machine Definition	Machine Photos*
Magnetic Drilling machine	A portable drill with a magnetic base that firmly attaches to metal surfaces. This provides stable support for drilling precise holes in steel at various angles and positions.	
Industrial Welding machine	A heavy-duty device that uses high heat to melt and fuse metal parts together, creating strong, permanent joints. It is widely used in construction, manufacturing, repair, and other industrial applications.	

Machine	Machine Definition	Machine Photos*
Overhead crane	A fixed lifting system that moves heavy loads using a hoist mounted on a bridge or runway. It is commonly used in factories and warehouses to handle materials safely and efficiently.	
Pedestal Grinder	A stationary grinding machine mounted on a tall stand. It typically has two grinding wheels and is used for sharpening, shaping, and smoothing metal tools in workshops and maintenance areas.	

Machine	Machine Definition	Machine Photos*
Shaping Machine	A single-point cutting tool that moves back and forth in a straight line to machine a fixed workpiece. It is used to produce flat surfaces, grooves, slots, and similar shapes in metal.	
Power Hacksaw machine	A motor-driven machine that moves a saw blade back and forth to cut metal quickly and accurately. It reduces manual effort and provides smoother, more consistent cuts compared to hand sawing.	

**The images shown are AI-generated representations created for illustrative purposes only. While they are based on references to the machinery described, the actual equipment may vary in appearance, specifications, and features. These images should not be relied upon as exact depictions of the real machines.*

UTILITIES AND INFRASTRUCTURE

Infrastructure

Our registered office is situated at VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206 and our corporate office is situated at 306, 3rd Floor, SCO 14, Skyland Private Limited Tower, Feroze Gandhi Market Ludhiana 141001 PB. Our offices are well equipped with requisite facilities, infrastructure facilities, computer systems, servers and other communication equipment, uninterrupted power supply, internet connectivity, and other processing facility, which are required for our business operations to function smoothly.

Power and Water Supply

We require continuous supply of electricity for our functioning. Our Company meets its power requirements at our registered VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206 from Punjab State Power Corporation Limited. We do not require water for functioning, except for human consumption.

INDEBTEDNESS

For details of indebtedness please refer to "***Restated Financial Information***" on page 165 of this Draft Red Herring Prospectus.

COMPETITION

We compete with organized and unorganized players in the industry with better financial position, market share, product ranges, human and other resources. Our organization is well geared up in meeting all these concerns and challenges and have put in place the necessary protocols to stay afloat in the marketplace with a difference.

We compete with other players in this field on the basis of service quality, technical capability, pricing, performance record and experience, health and safety observance and availability of qualified personnel and client convenience.

KEY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to Applicants and are neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Depending upon the nature of the activities undertaken by our Company the following are the various regulations applicable to our Company

APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled "*Government and Other Approvals*" beginning on page 191 of this Draft Red Herring Prospectus.

LABOUR LAWS:

1. Industrial Relations Code, 2020

The **Industrial Relations Code, 2020** is one of India's four new labour codes enacted to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishments, and the investigation and settlement of industrial disputes. It merges and replaces three earlier laws—the Trade Unions Act, 1926; the Industrial Employment (Standing Orders) Act, 1946; and the Industrial Disputes Act, 1947—with the aim of simplifying and modernising the industrial relations framework. The primary objects of the Code are to promote harmonious employer–employee relations, ensure timely and effective resolution of industrial disputes through structured mechanisms such as conciliation and tribunals, provide flexibility to employers while safeguarding workers' rights, and encourage formalisation and ease of doing business. By balancing the interests of workers and employers, the Code seeks to enhance industrial peace, productivity, and economic growth in a rapidly changing labour market.

2. Occupational Safety, Health and Working Conditions Code, 2020:

The **Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code)** is a comprehensive Labour Law enacted to consolidate, amend, and modernise India's legal framework governing workplace safety, health, and welfare of workers. It subsumes and replaces thirteen existing Labour Laws, including the Factories Act, 1948; Mines Act, 1952; Contract Labour (Regulation and Abolition) Act, 1970; Inter-State Migrant Workmen Act, 1979; and others, thereby creating a uniform and simplified regulatory regime. The Code applies to factories, mines, docks, construction establishments, and other notified establishments, and extends protection to contract labour, inter-state migrant workers, and workers in hazardous occupations. Its key objectives are to ensure safe and humane working conditions, prevent occupational accidents and diseases, prescribe employer responsibilities regarding workplace safety standards, working hours, leave, welfare facilities, and health check-ups, and empower governments to set industry-specific safety norms. The Code also introduces provisions for mandatory registration of establishments, enhanced duties of employers and employees, penalties for non-compliance, and special safeguards for women workers, including permission to work night shifts with safety measures. Overall, the OSH Code aims to strengthen worker protection, promote dignity at work, and improve productivity by creating safer, healthier, and more inclusive workplaces across India.

3. The Code on Wages, 2019:

The **Code on Wages, 2019** has been enacted to consolidate and rationalise wage-related legislation in India by subsuming four existing laws, namely the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965; and the Equal Remuneration Act, 1976. The Code seeks to ensure uniformity, transparency, and simplification in the regulation of wages across all employments, sectors, and wage ceilings, thereby extending its applicability to both organised and

unorganised workers. It introduces a statutory definition of "wages" to reduce ambiguity and standardise calculations for minimum wages, bonus, and other entitlements. A key feature of the Code is the provision empowering the Central Government to fix a national floor wage, taking into account living standards, which serves as a benchmark for states while determining minimum wages. The Code also strengthens provisions relating to timely payment of wages, mandates equal remuneration for men and women performing the same or similar work, and enhances enforcement mechanisms through the appointment of inspectors-cum-facilitators. Overall, the Code on Wages, 2019 aims to protect workers against exploitation, promote wage equity, simplify compliance for employers, and support inclusive and sustainable economic development.

4. Apprentices (Amendment)Act, 2014:

The **Apprentices (Amendment) Act, 2014** was enacted to modernise and reform the Apprentices Act, 1961 with the objective of promoting skill development and improving employability of youth in India. The Amendment sought to make apprenticeship training more flexible, industry-driven, and aligned with current market needs. It expanded the scope of apprenticeship by introducing optional trades in addition to designated trades, allowing industries to design training programmes relevant to their operational requirements. The Act simplified procedures by removing imprisonment as a penalty for non-compliance and replacing it with monetary penalties, thereby encouraging greater participation by employers. It also provided flexibility in determining the number of apprentices, linked to workforce strength, and allowed employers to engage apprentices through third-party agencies. Further, the Amendment strengthened the role of the Central and State Governments in regulating and promoting apprenticeship training while encouraging public–private partnership. Overall, the Act aims to bridge the gap between education and employment by creating a skilled workforce that meets industry demands and supports national economic growth.

5. National Apprenticeship Promotion Scheme (NAPS),2016:

National Apprenticeship Promotion Scheme (NAPS), launched in 2016 by the Government of India, is a flagship scheme designed to operationalise and support the objectives of the Apprentices (Amendment) Act, 2014 by incentivising employers to engage apprentices. The scheme aims to significantly increase apprenticeship opportunities across industries, including MSMEs, by sharing the financial burden of training. Under NAPS, the Government reimburses up to 25% of the prescribed stipend paid to apprentices, subject to a maximum limit per month, and also bears the cost of basic training for apprentices who have not undergone prior institutional training. The scheme is implemented through an online portal that simplifies registration, contract management, and monitoring of apprenticeship programmes. NAPS promotes industry participation, enhances practical skill acquisition among youth, and facilitates smoother school-to-work transition. By combining legal reform with financial incentives and digital governance, NAPS seeks to create a robust apprenticeship ecosystem, improve workforce productivity, and support the broader goals of Skill India and Make in India initiatives.

6. The Industries (Development and Regulation) Act, 1951:

The **Industries (Development and Regulation) Act, 1951** was enacted to provide for the systematic development and regulation of certain important industries in India in the larger interest of the national economy. The Act empowers the Central Government to control, regulate, and, where necessary, direct the establishment, expansion, and functioning of industrial undertakings listed in the First Schedule, which includes key industries of strategic and economic importance. Its main objectives are to ensure balanced industrial growth, prevent concentration of economic power, promote efficiency and quality in industrial production, and secure equitable distribution of resources. The Act authorises the government to grant or cancel industrial licences, conduct investigations into industrial undertakings, issue directions for improving management or production, and even assume management or control of an industry in cases of mismanagement or public interest. By enabling state supervision and intervention, the Act seeks to align industrial development with national planning goals, protect public interest, and support orderly and sustainable industrialisation in India.

7. The Inter-State Migrant Workmen Act,1979:

The **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979** was enacted to regulate the employment of inter-state migrant workers and to safeguard them from exploitation arising out of unorganised recruitment and unequal bargaining power. The Act applies to establishments and contractors employing five or more inter-state migrant workmen and mandates compulsory registration of establishments and licensing of contractors recruiting labour from one state for employment in another. Its key provisions require contractors to ensure payment of wages not less than those prescribed under the Minimum Wages Act or equal to local workers performing similar work, along with timely wage payment and proper working conditions. The Act also provides special protections to migrant workers, including displacement allowance, journey allowance for travel to and from their home states, suitable residential accommodation, medical facilities, protective clothing, and other welfare measures. By imposing legal responsibilities on both contractors and principal employers, the Act aims to promote fair treatment, prevent abuse, and improve the living and working conditions of inter-state migrant workmen, while ensuring accountability in the recruitment and employment process across state boundaries.

8. Building and Other Constructions Worker's (Regulation of Employment & Conditions of Service) Act:

The **Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996** is a welfare-oriented legislation enacted to regulate the employment and improve the conditions of service of building and construction workers, who constitute one of the most vulnerable and unorganised segments of the labour force in India. The Act applies to establishments employing ten or more building workers and covers a wide range of construction activities such as construction, alteration, repair, maintenance, demolition, and related works. Its key objectives include ensuring the safety, health, and welfare of construction workers by mandating measures relating to working hours, rest intervals, drinking water, sanitation, canteens, crèches, and first-aid facilities, as well as prescribing safety standards for hazardous operations. The Act provides for the registration of establishments and workers, constitution of State Building and Other Construction Workers' Welfare Boards, and the collection of a cess to finance welfare schemes such as medical assistance, maternity benefits, pensions, education assistance, and housing. Through regulatory oversight and welfare provisions, the Act seeks to protect construction workers from exploitation, reduce occupational hazards, and promote humane and dignified working conditions in the construction industry.

ENVIRONMENT PROTECTION LAWS:

9. The Environment (Protection) Act, 1986 and Environment (Protection) Rules, 1986:

The Environment (Protection) Act, 1986 is an umbrella legislation enacted to provide a framework for protecting and improving the environment in India. It empowers the central government to set environmental quality standards, regulate industrial emissions and discharges, and impose restrictions on activities that may harm the environment. The accompanying Environment (Protection) Rules, 1986 prescribe detailed standards for air, water, and soil quality, waste disposal methods, and permissible emission or discharge levels for various industries. This Act grants authorities the power to issue directions, close polluting units, and impose penalties for non-compliance. It applies broadly to all industries and operations with potential environmental impact.

10. National Environmental Policy, 2006:

The National Environmental Policy (NEP), 2006 is a strategic policy document aimed at guiding sustainable development in India. It emphasizes the integration of environmental protection into economic and social policies, conservation of natural resources, pollution control, and promotion of environmental awareness. While it is not a law in itself, NEP 2006 serves as a framework for the formulation of environmental regulations and sectoral action plans, encouraging businesses and government agencies to adopt cleaner technologies, minimize resource use, and ensure inter-generational equity.

11. Air (Prevention and Control of Pollution) Act, 1981:

The Air Act, 1981 regulates and controls air pollution in India by establishing standards for emissions from industrial plants, vehicles, and other sources. It led to the creation of Central and State Pollution Control Boards (CPCB and SPCBs) responsible for monitoring air quality and issuing consent to establish and operate industrial units. The Act empowers authorities to take preventive and corrective measures, including the suspension of operations in case of violations. Industries emitting pollutants are required to install pollution control equipment and comply with emission norms to protect public health and the environment.

12. Water (Prevention and Control of Pollution) Act, 1974:

The Water Act, 1974 aims to prevent and control water pollution while maintaining or restoring the wholesomeness of water bodies. It also established CPCB and SPCBs to set standards for wastewater discharge, monitor effluents, and grant consent for industrial and municipal operations. Industries are required to treat wastewater before discharging it into rivers, lakes, or sewers, and failure to comply may result in penalties or closure. The Act ensures that industrial and domestic activities do not compromise the quality of India's surface and groundwater resources.

13. Noise Pollution (Regulation and Control) Rules, 2000:

These Rules, framed under the Environment (Protection) Act, 1986, aim to regulate and control noise levels to protect public health and the environment. They prescribe ambient noise standards for industrial, commercial, residential, and silence zones, defining silence zones as 100-meter areas around schools, hospitals, courts, and religious places with stricter limits. The Rules restrict the use of loudspeakers, public address systems, and firecrackers between 10 PM and 6 AM except with special permissions. State governments and pollution control boards are empowered to monitor compliance, enforce standards, and seize equipment causing excessive noise. Non-compliance attracts penalties under the Environment (Protection) Act, 1986. These provisions apply to individuals, institutions, industries, and event organizers responsible for noise sources.

WASTE MANAGEMENT RULES:

14. Hazardous and Other Wastes (Management and Trans-boundary Movement) Rules, 2016:

These Rules, notified under the Environment Protection Act, regulate the generation, storage, transport, treatment, and disposal of hazardous and other wastes, including waste imported into or exported out of India. They define hazardous waste categories, establish guidelines for safe handling, and mandate authorization from SPCBs for facilities handling such waste. The Rules encourage reuse, recycling, and recovery while ensuring that hazardous waste is managed in an environmentally sound manner to avoid soil, air, or water contamination. They also govern the trans-boundary movement of hazardous waste in compliance with the Basel Convention to prevent illegal dumping of toxic substances.

SOCIAL SECURITY LAWS:

15. Code on Social Security, 2020:

The Code on Social Security, 2020 is a comprehensive labour welfare legislation enacted to consolidate and rationalise India's social security laws with the objective of extending social protection to a wider section of the workforce. It subsumes nine central laws, including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952; the Employees' State Insurance Act, 1948; the Employees' Compensation Act, 1923; the Maternity Benefit Act, 1961; the Payment of Gratuity Act, 1972; and the Unorganised Workers' Social Security Act, 2008. The Code seeks to provide universal social security coverage to organised, unorganised, gig, and platform workers by introducing uniform definitions and enabling the framing of welfare

schemes relating to provident fund, insurance, maternity benefit, gratuity, and old-age protection. It empowers the central and state governments to formulate and notify social security schemes, establishes social security funds for unorganised and gig workers, and promotes the use of technology through Aadhaar-based registration for efficient delivery of benefits. By ensuring portability of benefits, promoting formalisation of employment, and strengthening employer compliance while safeguarding workers' welfare, the Code aims to create an inclusive, sustainable, and rights-based social security system aligned with the needs of a modern and evolving labour market.

16. Employees' Provident Fund & Miscellaneous Provisions Act, 1952:

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 is a landmark social welfare legislation enacted to provide financial security and social protection to employees in the organised sector after retirement, during incapacity, or to their dependants in case of death. The Act applies to specified establishments employing a prescribed minimum number of employees and empowers the Central Government to extend its coverage to other establishments. Its core objective is to mandate contributory provident fund savings, whereby both employers and employees contribute a fixed percentage of wages to ensure long-term savings. The Act also establishes and regulates three major social security schemes—the Employees' Provident Fund (EPF), the Employees' Pension Scheme (EPS), and the Employees' Deposit-Linked Insurance Scheme (EDLI)—covering retirement benefits, pension, and life insurance, respectively. It provides for the creation and administration of the Employees' Provident Fund Organisation (EPFO) as a statutory body to manage contributions, accounts, compliance, and dispute resolution. The Act contains provisions relating to membership, contribution rates, inspections, penalties for non-compliance, and protection of employees accumulated funds from attachment, thereby ensuring transparency, accountability, and continuity of social security benefits. Overall, the Act plays a crucial role in promoting income security, dignity of labour, and economic stability for employees and their families in India.

17. Payment of Gratuity Act,1972 & Payment of Gratuity (Punjab) Rules, 1973:

The Payment of Gratuity Act, 1972 is a central social welfare legislation enacted to provide a statutory right to gratuity as a terminal benefit to employees in recognition of long, continuous, and meritorious service. The Act applies to factories, mines, oilfields, plantations, ports, railway companies, shops, and establishments employing ten or more persons, and it entitles an employee to gratuity on termination of employment due to superannuation, retirement, resignation, death, or permanent disablement after completing at least five years of continuous service (the five-year condition being waived in cases of death or disablement). Gratuity is calculated at the rate of fifteen days' wages for every completed year of service or part thereof in excess of six months, subject to a statutory ceiling, and the Act mandates timely payment, nomination by employees, and imposes penalties for default or delayed payment. Complementing the Act, the Payment of Gratuity (Punjab) Rules, 1973 were framed by the State Government to operationalise and implement the provisions of the Act within Punjab by prescribing detailed procedures, forms, and authorities. These Rules lay down the manner of making applications for gratuity, issuing notices by employers, conducting inquiries by the controlling authority, determination and recovery of gratuity amounts, maintenance of registers and records, and the procedure for appeals. Together, the Act and the Punjab Rules aim to ensure uniformity, transparency, and effective enforcement of gratuity payments, thereby securing social and financial protection to employees at the end of their service tenure.

WELFARE LAWS:

18. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Act protects women from sexual harassment at the workplace and ensures safe working environments. It mandates every employer to establish an Internal Complaints Committee (ICC), conduct awareness programs, and implement strict policies to

prevent harassment. It defines sexual harassment broadly, covering physical, verbal, and non-verbal conduct of a sexual nature. Non-compliance can lead to penalties, license cancellation, or reputational damage to the employer.

19. Child Labour (Prohibition and Regulation) Act, 1986:

The Act prohibits the employment of children below 14 years in hazardous industries and regulates working conditions in non-hazardous occupations, including limits on working hours, provisions for rest, and basic amenities. Amendments have aligned this Act with the Right to Education Act, making all forms of child labour in formal employment illegal while allowing children to assist in family enterprises under strict conditions.

20. Rights of Persons with Disabilities Act, 2016:

The Rights of Persons with Disabilities Act, 2016 was enacted to give effect to India's obligations under the United Nations Convention on the Rights of Persons with Disabilities and to replace the Persons with Disabilities Act, 1995 with a more progressive, rights-based framework. The Act significantly expands the recognized categories of disabilities from 7 to 21 and empowers the government to add more, ensuring broader legal protection. Its core objective is to guarantee equality, dignity, and full participation of persons with disabilities in society by prohibiting discrimination in education, employment, healthcare, transportation, and access to public buildings and services. The Act mandates reasonable accommodation, accessibility standards, and inclusive education, while reserving at least 4% of government jobs and 5% of seats in higher educational institutions for persons with benchmark disabilities. It also strengthens institutional mechanisms through the appointment of Chief and State Commissioners for Persons with Disabilities, establishes special courts for speedy trial of offences, and prescribes penalties for violations, thereby shifting the focus from welfare to enforceable rights, empowerment, and social inclusion of persons with disabilities.

STATE-SPECIFIC LAWS:

21. Punjab Safety Measures for Prevention & Control of Fire Act, 2012:

The **Punjab Safety Measures for Prevention and Control of Fire Act, 2012** was enacted to provide a comprehensive legal framework for ensuring fire safety in buildings and public places across the State of Punjab. The Act mandates the adoption of fire prevention and fire protection measures in residential, commercial, industrial, institutional, and other specified buildings, in accordance with prescribed fire safety standards. It provides for the appointment of fire officers and authorities empowered to inspect premises, enforce compliance, issue directions, and take preventive action in case of fire hazards. The Act also requires owners and occupiers to obtain fire safety clearance, maintain firefighting equipment, and prepare emergency evacuation plans. Penalties are prescribed for non-compliance, including fines and other legal action, thereby aiming to minimize fire risks, protect life and property, and strengthen overall fire safety governance in the state.

22. Punjab Fire Prevention & Safety Act, 2004:

The **Punjab Fire Prevention & Safety Act, 2004** was enacted to ensure the prevention of fire hazards and to provide for fire safety measures in buildings and premises across the State of Punjab. The Act aims to safeguard life, property, and the environment by mandating compliance with prescribed fire prevention and safety standards, particularly in high-risk and public buildings. It empowers the government to appoint fire officers, conduct inspections, issue fire safety certificates, and enforce corrective measures where deficiencies are found. The Act also lays down the responsibilities of owners and occupiers to install and maintain fire safety equipment, prepare emergency plans, and facilitate access for fire-fighting services. Penalties are prescribed for non-compliance, obstruction, or negligence, thereby strengthening the legal framework for effective fire prevention, preparedness, and response.

23. Punjab Land Revenue Act:

The **Punjab Land Revenue Act, 1887** is a comprehensive law enacted to regulate land revenue administration in the State of Punjab. Its primary objective is to provide a systematic framework for the assessment, collection, and management of land revenue, while maintaining accurate land records. The Act lays down provisions relating to the appointment, powers, and duties of revenue officers; preparation and maintenance of record-of-rights, registers, and maps; settlement and assessment of land revenue; and procedures for recovery of arrears as public demand. It also provides mechanisms for partition of land, mutation of ownership, and resolution of disputes concerning land and revenue matters. Overall, the Act aims to ensure transparency, certainty of land rights, and efficient revenue administration in rural areas.

24. Punjab Shops & Establishment Act and Rules:

The **Punjab Shops and Commercial Establishments Act, 1958** and the rules framed thereunder regulate the conditions of work and employment in shops, commercial establishments, and certain other workplaces in the State of Punjab. The Act aims to protect employees' rights by prescribing norms relating to hours of work, weekly holidays, opening and closing hours, overtime wages, leave with pay, employment of children and young persons, and maintenance of registers and records. It also provides for registration of establishments, inspection by authorities, and penalties for non-compliance. The rules supplement the Act by detailing procedural requirements, formats of registers, notices, and returns to ensure effective implementation. Together, they seek to promote fair labour practices, employee welfare, and orderly functioning of commercial establishments.

25. Punjab Village Common Lands (Regulation) Act, 1961:

The **Punjab Village Common Lands (Regulation) Act, 1961** was enacted to regulate the ownership, management, and use of village common lands (shamlat deh) in Punjab. The Act vests such common lands in the Gram Panchayat to be managed for the benefit of the village community and lays down rules for their control, utilization, and protection. It provides for eviction of unauthorized occupants, prevention of illegal transfers, and regulation of leasing of common lands. The Act also specifies exceptions and rights of certain individuals in respect of common lands and prescribes procedures for adjudication of disputes by revenue authorities. Overall, the Act seeks to safeguard village common lands and ensure their proper use for common purposes and rural development.

MERCANTILE LAWS:

26. Legal Metrology Act, 2009;

The Legal Metrology Act, 2009 came into effect on January 14, 2010 and has repealed and replaced the Standard of Weights and Measures Act, 1976 and the Standards of weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto. The Legal Metrology Act, inter alia, provides for:

a) approval of model of weight or measure;
b) verification of prescribed weight or measure by Government approved Test Centre;
c) exempting regulation of weight or measure or other goods meant for export;
d) nomination of a Director by a company who will be responsible for complying with the provisions of the enactment;
e) empowering the Central Government to make rules for enforcing the provisions of the enactment; and
f) penalty for offences and compounding of offences

27. Sale of Goods Act, 1930:

The Sale of Goods Act, 1930 governs contracts for the sale and purchase of goods. It defines terms such as seller, buyer, delivery, price, and goods, and sets out conditions and warranties to ensure fairness in trade. The Act covers transfer of ownership, performance of the contract, remedies for breach, and rights of unpaid sellers. It protects buyers from defective goods and ensures that trade transactions follow consistent legal principles.

28. Registration Act, 1908:

The Registration Act, 1908 provides for the registration of documents to ensure public notice and protect legal rights relating to immovable property, contracts, wills, and other legal instruments. Registration makes documents legally valid, admissible as evidence in court, and enforceable against third parties. The Act prescribes compulsory registration for deeds of sale, mortgages, leases exceeding a year, and property transfers. Sub-Registrars, under state governments, are authorized to register documents, collect stamp duty, and maintain public records.

29. Indian Contract Act, 1872:

The Indian Contract Act, 1872 governs all contracts and agreements in India. It lays down the essentials of a valid contract such as free consent, lawful consideration, competence of parties, and enforceability by law. The Act defines different types of contracts (void, voidable, contingent) and specifies performance obligations, breach consequences, and remedies including damages and compensation. It forms the legal backbone of commercial and personal agreements.

30. Consumer Protection Act, 2019:

The **Consumer Protection Act, 2019** strengthens consumer rights and remedies by replacing the earlier 1986 Act and expanding its scope. It safeguards consumers against defective goods, deficient services, unfair trade practices, false or misleading advertisements, and online frauds. The Act introduces a Central Consumer Protection Authority (CCPA) with powers to investigate complaints, order recalls, impose penalties, and regulate misleading advertisements. It also provides for e-filing of complaints, mediation cells, and product liability provisions, holding manufacturers, service providers, and sellers accountable for harm caused by their products or services. The Act applies to all businesses—offline and online—that sell goods or services directly or indirectly to consumers, ensuring transparency, accountability, and quick redressal of grievances.

31. Micro, Small and Medium Enterprises Development Act, 2006:

The Micro, Small and Medium Enterprises Development Act, 2006 was enacted to promote, facilitate, and develop the competitiveness of micro, small, and medium enterprises (MSMEs) in India. It provides a legal framework for classification of enterprises based on investment in plant, machinery, or equipment and turnover, helping determine eligibility for government benefits, subsidies, and support programs.

The Act mandates that buyers of goods or services from MSMEs make payments within 45 days from the date of acceptance or deemed acceptance. In case of delayed payments, the buyer is liable to pay compound interest at three times the RBI bank rate, providing strong protection to MSMEs against delayed receivables.

The Act also provides for the establishment of the Micro and Small Enterprises Facilitation Council (MSEFC) in each state to resolve disputes relating to delayed payments through conciliation and arbitration. Awards passed by the MSEFC are enforceable as decrees of a civil court.

Additionally, the Act enables the Government to announce schemes for the promotion, development, and competitiveness of MSMEs, including credit facilities, technology upgradation, infrastructure support, skill development, and cluster-based

development programs. It also empowers the Government to periodically review and revise the criteria for MSME classification to reflect economic conditions.

Overall, the MSMED Act, 2006 enhances the ease of doing business for small enterprises, protects them from unfair payment practices, and facilitates their participation in government procurement and incentive schemes.

TAXATION RELATED LAWS

32. Foreign Trade Development Act, 1992:

The Foreign Trade (Development and Regulation) Act, 1992 empowers the Central Government to formulate and announce the Foreign Trade Policy (earlier known as the Export–Import or EXIM Policy) and to make provisions for the regulation of imports and exports of goods and services. Its key objectives are increasing India's exports, ensuring the orderly development of foreign trade, conserving foreign exchange, and regulating trade practices in the national interest. The Act authorises the government to impose restrictions, conditions, or prohibitions on imports and exports, issue licences and authorisations, and take action against violations such as unauthorised trade or misuse of licences. It also provides for enforcement mechanisms, including search, seizure, adjudication, penalties, and confiscation of goods, to ensure compliance with foreign trade regulations. Overall, the Act serves as a vital instrument for managing India's external trade policy, promoting exports, safeguarding domestic industry where necessary, and aligning foreign trade with broader economic and strategic objectives.

33. The Foreign Exchange Management, 1999:

The **Foreign Exchange Management Act, 1999 (FEMA)** was enacted to replace the more restrictive Foreign Exchange Regulation Act, 1973, with the objective of facilitating external trade and payments and promoting the orderly development and maintenance of India's foreign exchange market in a liberalised economic environment. FEMA regulates transactions involving foreign exchange and foreign securities by classifying them into **current account transactions**, which are generally permitted subject to reasonable restrictions, and **capital account transactions**, which are regulated and allowed only to the extent specified by the Reserve Bank of India (RBI) in consultation with the Central Government. The Act empowers the RBI to manage and supervise foreign exchange dealings, authorise persons such as banks and money changers to deal in foreign exchange, and issue regulations, directions, and circulars to ensure compliance. FEMA also lays down provisions relating to export of goods and services, realisation and repatriation of foreign exchange earnings, acquisition and transfer of immovable property outside and within India by residents and non-residents, and penalties for contraventions, which are civil in nature rather than criminal. Overall, FEMA aims to create a transparent, market-friendly regulatory framework that supports foreign investment, ensures macroeconomic stability, and integrates the Indian economy with the global financial system.

34. Conservation of Foreign Exchange and Prevention of Smuggling Act, 1974:

The **Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA)** is a preventive detention law enacted by the Indian Parliament to safeguard the country's economic interests by curbing activities that adversely affect foreign exchange reserves and promote smuggling. The Act empowers the Central and State Governments to detain individuals without trial if they are satisfied that such detention is necessary to prevent a person from engaging in smuggling, abetting smuggling, dealing in smuggled goods, or engaging in activities that undermine the conservation or augmentation of foreign exchange. COFEPOSA is preventive rather than punitive in nature, meaning its objective is not to punish past acts but to prevent future prejudicial activities that threaten economic security. The Act provides procedural safeguards such as communication of grounds of detention to the detention and review by an Advisory Board, while also allowing certain exceptions in the interest of national economic security. Overall, COFEPOSA reflects the State's power to

impose preventive detention as an extraordinary measure to protect the stability of the national economy and prevent large-scale economic offences affecting foreign trade and exchange.

INTELLECTUAL PROPERTY LAWS:

35. Trademark Act, 1999:

The Trade Marks Act, 1999 governs the registration, protection, and enforcement of trademarks in India, replacing the earlier 1958 Act. It grants exclusive rights to trademark owners to use, sell, or license their marks and protects against infringement and passing off. The Act outlines procedures for registration, renewal, and cancellation, and provides remedies like damages and injunctions for violations. Its main objectives are to safeguard trademark rights, prevent consumer confusion, promote fair competition, and encourage branding and innovation. By protecting intellectual property, it strengthens business reputation and economic growth.

36. Designs Act, 2000:

The Designs Act, 2000 governs the protection of the aesthetic or visual features of industrial products, such as shape, configuration, pattern, ornamentation, or colours, which appeal to the eye and are applied to articles by an industrial process, while excluding functional or technical aspects. The main objective of the Act is to protect new and original designs from imitation, encourage creativity and innovation in industrial design, promote fair trade practices, and prevent piracy of designs. It provides for the registration of designs, grants the registered proprietor exclusive rights to use, sell, or license the design, prescribes a term of protection of 10 years extendable by 5 years, and lays down provisions relating to infringement and penalties in case of unauthorized use, thereby ensuring legal protection and commercial value to creative industrial designs.

37. Patents Act, 1970:

The Patents Act, 1970 governs the grant and protection of patents in India for inventions that are new, involve an inventive step, and are capable of industrial application. It covers both product and process patents, while excluding inventions that are frivolous, contrary to public order or morality, or mere discoveries. The main objectives of the Act are to encourage technological innovation, promote research and development, balance the interests of inventors and the public, and ensure that patented inventions are worked in India and not misused. Important provisions include the definition of invention (Section 2), patentability criteria, procedure for application and examination, rights of patentees, term of patent protection of 20 years, compulsory licensing to prevent abuse of patent rights, and provisions relating to infringement and remedies, thereby creating a legal framework that fosters innovation while safeguarding public interest.

OTHER LAWS:

38. Foreign Trade (Development and Regulation) Act, 1992:

The Foreign Trade (Development and Regulation) Act, 1992 (FTDR Act) provides the legal framework for regulating and promoting foreign trade in India. It empowers the Central Government to make policies for facilitating imports and increasing exports to ensure balanced trade and economic growth. The Act authorizes the government to issue or regulate Importer-Exporter Codes (IECs), impose restrictions or prohibitions on trade of certain goods, and enforce compliance with trade regulations. It also enables the government to take corrective action against unfair trade practices, protect domestic industries, and maintain foreign exchange reserves.

39. Foreign Direct Investment (FDI) Policies:

India's **Foreign Direct Investment (FDI)** policies are framed by the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry, in consultation with the Reserve Bank of India (RBI). These policies determine the sectors in which foreign investment is permitted, under either the automatic route (no prior government approval required) or the government route (approval required). FDI policies also prescribe sectoral caps, entry conditions, and compliance requirements to ensure that foreign investments align with India's economic and security interests while promoting technology transfer, employment generation, and overall economic growth.

40. Information Technology Act, 2000 (IT Act):

The Information Technology Act, 2000 provides a legal framework for electronic governance, digital signatures, and online transactions in India. It recognizes electronic records and digital signatures as legally valid, facilitating paperless communication and e-commerce. The Act prescribes penalties for unauthorized access, hacking, data theft, identity theft, and cyber fraud. It also empowers the government to regulate intermediaries, issue directions for blocking websites, and ensure cybersecurity. Amendments, including the IT (Amendment) Act, 2008, further strengthened provisions against cybercrime and introduced liability for intermediaries to maintain due diligence in preventing illegal content dissemination.

41. Whistleblower Protection Act:

The **Whistleblower Protection Act, 2014** provides for a robust mechanism for protecting individuals who expose corruption, misuse of power, or other wrongdoing within government organizations and public institutions. The Act establishes the Central Vigilance Commission (CVC) as the competent authority to receive complaints from whistleblowers, ensuring their confidentiality and protection from retaliation such as harassment, victimization, or unfair treatment. Its key provisions include a formal procedure for the submission and investigation of complaints, protection of the whistleblower's identity, and measures to prevent any adverse action against them. The primary objectives of the Act are to promote transparency, accountability, and integrity in public administration, encourage ethical conduct among officials, and empower citizens to report corruption and malpractice without fear. By providing legal safeguards, the Act seeks to strengthen democratic governance and public trust in institutions.

42. Public Liability Insurance Act, 1991:

This law mandates industries handling hazardous substances to maintain insurance policies to provide immediate relief to individuals affected by accidents involving hazardous materials, ensuring quick compensation without lengthy litigation.

43. Bureau of Indian Standard Act, 2016:

The **Bureau of Indian Standards (BIS) Act, 2016** is a comprehensive legislation that replaced the earlier Bureau of Indian Standards Act, 1986, with the objective of strengthening standardization, quality control, and certification in India. The Act establishes the **Bureau of Indian Standards (BIS)** as the national body responsible for formulating and implementing standards for goods, services, and systems, ensuring safety, reliability, and quality. It provides for the compulsory or voluntary certification of products, lays down procedures for quality mark licensing, and empowers BIS to enforce compliance with standards. Key features of the Act include the regulation of manufacturers and importers to prevent the sale of sub-standard products, the ability to inspect and test products, and provisions for penalties and prosecutions for non-compliance. The objects of the Act are to **protect consumer interests, promote industry competitiveness, enhance public health and safety, and ensure the quality and reliability of products** in the domestic and international markets. Overall, the BIS Act, 2016, plays a crucial role in establishing a robust regulatory framework for standardization, boosting consumer confidence, and fostering innovation and quality in Indian goods and services.

44. National Steel Policy, 2017:

The **National Steel Policy (NSP), 2017** is a comprehensive framework formulated by the Government of India to guide the growth and development of the steel sector in the country, aiming to make India a globally competitive steel producer. The policy sets a target of achieving 300 million tonnes per annum (MTPA) of steel production by 2030–31, emphasizing self-sufficiency in steel and reducing dependence on imports. It focuses on promoting high-quality, value-added steel products, modernization of existing plants, adoption of advanced technologies, and enhancing productivity and energy efficiency. NSP 2017 also prioritizes environmentally sustainable growth, with measures for reducing carbon emissions and increasing the use of renewable energy in steel production. Additionally, the policy highlights the development of a robust domestic raw material base, such as iron ore and coking coal, and encourages investment in research and development, skill development, and infrastructure to support the steel industry. Overall, the policy aims to strengthen India's position as a major steel producer globally while fostering economic growth, employment generation, and sustainable industrial development.

45. <u>National Non- Ferrous Metal Scrap Recycling Framework, 2020:</u>

The **National Non-Ferrous Metal Scrap Recycling Framework, 2020** is a policy initiative of the Government of India, issued by the Ministry of Mines, designed to establish a structured, sustainable, and efficient ecosystem for recycling non-ferrous metal scrap such as aluminium, copper, zinc, and lead. The Framework seeks to transform the largely informal scrap recycling sector into a formal, well-organized industry by promoting energy-efficient and environmentally sound recycling processes, reducing landfill pollution and carbon footprint, and aligning with broader goals of sustainable development and a circular economy. It aims to create economic opportunities through job creation, wealth generation, and increased contribution to GDP from recycling activities, while reducing dependency on imported scrap and primary raw materials. Key objectives include adopting data-driven policymaking across the recycling value chain, promoting the 6Rs principles (Reduce, Reuse, Recycle, Recover, Redesign, Remanufacture), producing high-quality scrap for secondary production, and fostering technological leadership in scientific recycling methods. The Framework also envisages stakeholder participation across the scrap value chain, involvement of a central coordinating body (Metal Recycling Authority), and development of standards, certification, and regulated processes to improve collection, segregation, and processing of scrap in compliance with environment norms.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Brief History and Background of the Company

Our Company was originally incorporated as a private limited company under the Companies Act, 2013 in the name and style of "*Bhagya Steels Private Limited*" bearing Corporate Identification Number U27320PB2021PTC054838 dated December 08, 2021 issued by the Registrar of Companies, Chandigarh. Subsequently, our Company was converted into a public limited company and, consequently, the name of our Company was changed to "Bhagya Steels Limited" and a fresh Certificate of Incorporation dated September 05,2024 was issued by the Registrar of Companies, Chandigarh. Subsequently, the name of our Company was changed to "*Bhagya Machine Tools Limited*" pursuant to special resolution passed in the Extra-Ordinary General Meeting of the company dated November 17, 2025 and consequently a fresh Certificate of Incorporation dated November 27,2025 was issued by the Registrar of Companies, Chandigarh. As on date of this Draft Red Herring Prospectus, the Corporate Identification Number of our Company is U27320PB2021PLC054838.

Changes in the registered office

The registered office of our Company is presently situated at VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206.

Major events & Milestones

Year	Events and Milestones
2021	Bhagya Steels Private Limited was incorporated under the Companies Act, 2013 by our Promoter, Mr. Jagdev Singh, with the objective of establishing our Company in the power press manufacturing sector.
2023	The authorised share capital of our Company was increased from ₹ 10,00,000 to ₹ 1,00,00,000 and 9,00,000 Equity Shares were allotted on a rights basis.
2024	Our Company was converted into a public limited company and renamed Bhagya Steels Limited, pursuant to a resolution passed by the shareholders, marking a new phase in its corporate journey.
2025	Our Company changed its name from Bhagya Steels Limited to Bhagya Machine Tools Limited pursuant to a special resolution passed by the shareholders on November 17, 2025, and a fresh Certificate of Incorporation dated November 27, 2025 was issued by the Registrar of Companies, Chandigarh. Our Company also allotted 30,00,000 Equity Shares by way of a bonus issue in the ratio of 3:1 and 4,00,000 Equity Shares on a rights basis during the year.
2026	Our Company allotted 4,50,000 Equity Shares on a rights basis, and the Board of Directors and the shareholders approved the proposed initial public offering on June 17, 2026 and June 18, 2026 respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets etc., if any, in the last ten years

There has been no material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, in the last ten years.

Main Objects

Sr. No.	Main Objects
1.	To carry on or acquire the business of Manufacturing of Power Presses, Merchant of Iron & Steel and allied activities.
2.	To carry on or acquire, in India or elsewhere the business of providing heat and cold treatment of iron, steel (including alloy steel) and metal founders, processors, turners, forgers, drawers, rollers and re-rollers of steel shafting's, bars, rods, etc., in different shapes and sizes from scraps, billets, ingots including wire, nails, screws, metal hinges, plates, sheets, strips, hoops, rounds, circles, angles and to alloy steel, stainless steel, any other products from steel, brass, copper, lead, zinc, nickel and any other ferrous and non-ferrous metals of all sizes, specification and description including ingot casting in electric and furnace.

3.	To carry on in India or elsewhere the business to design, manufacture, produce, prepare, buy, procure, acquire, import, improve upon, alter, manipulate, maintain, prepare for market, handle, assemble, heat, grade, mould, cast, sell, resale, export, operate, dispose of, distribute, transport, store, forward, dispose, consume, repair supply and otherwise deal in or develop all types, varieties, models, shapes, sizes, specifications, description, diameters, capacities, applications, uses and values of gadgets, implements, accessories, parts, spares, assemblies, components, moulds, jigs, nuts, bolts, fixtures and tools, metallic or otherwise.
4.	To act as agent, broker, representative, consultant, collaborator, stockiest, lessor, franchiser, wholesaler, retailer, job-worker, exporter, importer, dealer or in any such other capacity in respect of products manufactured or dealt with by the Company.
5.	To carry on all processes like metal printing, metal anodizing, electro-plating, chemical treatment and lacquering in respects of products manufactured or dealt with by the Company.

Amendments to Memorandum of Association (Details of amendments of last ten years)

Date of Shareholder's resolution	Particulars
Special Resolution dated 04/03/2023	Increase in Authorised Share Capital from ₹ 10,00,000 to ₹ 1,00,00,000
Special Resolution dated 24/07/2024	Conversion of the company from private limited to public limited
Special Resolution dated 20/09/2024	Increase in Authorised Share Capital from ₹ 1,00,00,000 to ₹ 7,00,00,000
Special Resolution dated 17/11/2025	Name change of the company from Bhagya Steels Limited to Bhagya Machine Tools Limited

Details regarding holding company, subsidiaries and joint venture(s)

Our Company does not have any holding company, subsidiaries and joint venture(s) as on the date of filing this Draft Red Herring Prospectus.

Pending Litigation involving the Group Company: ***Nil***

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation, location of projects

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets or capacity/facility creation, location of projects, see "***Our Business***" on pages 109, respectively.

Capital Raising (Debt / Equity)

For details in relation to our capital raising activities through equity, please refer to "***Capital Structure***" beginning on page 63 of this Draft Red Herring Prospectus. For details of our Company's debt facilities, please refer to the section "***Restated Financial Information***" on page 165 of this Draft Red Herring Prospectus.

Time and cost overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

Injunction or restraining order

There are no injunctions/ restraining orders that have been passed against the Company.

Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity shares

Our Company has not defaulted in making payment of interest and repayment and there is no pending overdue with any lender as of the date of filing of this Draft Red Herring Prospectus. Refer "***Risk Factors***" beginning on Page 22 of this Draft Red Herring Prospectus for further information.

Furthermore, except as disclosed in "***Capital Structure***" beginning on Page 63 of this Draft Red Herring Prospectus, none of the Company's loans have been converted into equity in the past.

Lock-Out or Strikes

Our Company, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.

Shareholders of our Company

Our Company has ten (10) shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to "Capital Structure" beginning on page 63 of this Draft Red Herring Prospectus.

Agreements with key managerial personnel or senior management or directors or promoters or any other employee

As on the date of this Draft Red Herring Prospectus, there are no agreements entered into by our Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Collaboration Agreements

As on the date of this Draft Red Herring Prospectus, our Company is not a party to any collaboration agreements.

Material Agreement

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

Shareholders' Agreements and Other Agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder's agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

Non-Compete Agreement

Our Company has entered into a Non-compete Agreement with the promoters, as on the date of filing of this Draft Red Herring Prospectus.

Joint Venture Agreement

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

Strategic Partners

Our Company does not have any strategic partners as on the date of this Draft Red Herring Prospectus.

Financial Partners

Our Company does not have any financial partners as on the date of this Draft Red Herring Prospectus

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OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on our Board, subject to provisions of Section 149 of Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, our Board consists of five (5) Directors, comprising two (2) Executive Directors, of whom one (1) is the Managing Director and one (1) is the Whole Time Director, and three (3) Non-Executive Directors, of whom two (2) are Independent Directors and one (1) is a Non-Executive Non-Independent Director. Mrs. Baljeet Kaur is the woman director on our Board.

Board of Directors

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship(s)
1.	**Jagdev Singh** DIN: 09428375 Designation: Managing Director Date of Birth: April 26, 1962 Qualification: B.tech. in Mechanical Engineering Experience: 41 years Address: House No. 3668, Street no. 5, opposite ATI College, Gill road, Chet Singh Nagar, Janta Nagar, Ludhiana, Punjab-141003 Occupation: Business Term of Office: 3 Years from December 01,2025 liable to retire by rotation. Date of Expiration of Current Term: November 30,2028 Period of Directorship: Since incorporation till April 29, 2022 and then reappointed on December 01,2025	64	**List of Associated Companies** **List of Associated LLPs** N/A
2.	**Jasdil Singh** DIN: 09578743 Designation: Whole Time Director Date of Birth: September 20, 1991 Qualification: B.tech in Mechanical Engineering Experience: 12 years Address: House No. 3668, Street no. 5, opposite ATI College, Gill road, Chet Singh Nagar, Janta Nagar, Ludhiana, Punjab-141003Occupation: Business Term of Office: 3 Years from December 01,2025, Liable to retire by rotation Date of Expiration of Current Term: November 30,2028 Period of Directorship: Since April 29, 2022 and then reappointed on December 01,2025	34	**List of Associated Companies** • Bhagya Infra Projects Limited **List of Associated LLPs** N/A
3.	**Amandeep Arora** DIN: 10985048 Designation: Independent Director Date of Birth: December 13,1978 Qualification: Bachelor of Science	47	**List of Associated Companies** N/A **List of Associated LLPs**

Sr. No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship(s)
	Experience: 3 years Address: House no. 9580, street no.8, Joshi Nagar, haibowal kalan, Ludhiana, Punjab-141001 Occupation: Professional Term of Office: 5 years Date of Expiration of Current Term: November 30,2030 Period of Directorship: Since December 01,2025		N/A
4.	**Vikas Arora** DIN: 11401085 Designation: Independent Director Date of Birth: September 17,1996 Qualification: Bachelor of Commerce and Bachelor of Law (L.L.B) Experience: 8 years Address: House no. 1251/2C/358, Street no. 8R, Back side GNE College, Isher Nagar, Gill, Ludhiana, Punjab-141116 Occupation: Professional Term of Office: 5 years Date of Expiration of Current Term: November 30,2030 Period of Directorship: Since December 01,2025	29	**List of Associated Companies** N/A **List of Associated LLPs** N/A
5.	**Baljeet Kaur** DIN: 11771076 Designation: Non-executive Director Date of Birth: April 23,1994 Qualification: Senior Secondary qualified Experience:3 years Address: St. No. 6L, Ishar Nagar, GNE College, PO: GNE College, Dist.: Ludhiana, Punjab,141006Occupation: Professional Term of Office: Retire by rotation Date of Expiration of Current Term: Not Applicable Period of Directorship: Since June 17,2026	32	**List of Associated Companies** N/A **List of Associated LLPs** N/A

Brief Profile of Directors

Jagdev Singh is the Managing Director and is also the Promoter of the company and has been associated with the Company since incorporation. He completed his B.tech in Mechanical Engineering from Punjab University in 1983. He possesses over four decades of experience in the Engineering and capital goods industry. As Managing Director, he is responsible for coordinating operations, managing planning and implementation, and overseeing the expansion and overall management of the company's business. His responsibilities include supervising daily operations, handling public relations, making strategic decisions, and maintaining relationships with clients, stakeholders, and shareholders.
Jasdil Singh is the Whole Time Director of the Company and has been associated with the Company since April 29,2022. He holds a B.tech in Mechanical Engineering from J.R.N Rajasthan Vidyapeeth University in 2014. He possesses over a decade of experience. Prior to joining the Company, he worked as an Assistant Engineer at B R Metallics Private Limited, from September 2014, to August 2018, where he gained experience in market strategies combined with management of the Sales function to drive revenue growth, Oversaw the creation and implementation of targeted Product Development and Technology

roadmaps to address the evolving needs of specific markets. He then served as a Management Trainee at Micro Engineers from August 2018 to March 2022 to further develop his management and leadership skills.
Amandeep Arora is the Independent Director of the Company, appointed on. December 01,2025, She holds a bachelor of science degree from Guru Nanak Dev University. She has a cumulative experience of 3 years in the field of teaching.
Vikas Arora is the Independent Director of the Company, appointed on December 01,2025He holds a bachelor of commerce degree from GGN Khalsa College, Ludhiana and Bachelor of Law(L.L.B) Degree from Bhai Gurdas Law College Sangrur, Punjab. He has worked as an accountant in Raman paper mart for 8 years and he is currently the Chief Financial Officer(CFO) of Avax Apparels and Ornaments Limited.
Baljeet Kaur is a Non-Executive Director of the Company, appointed on June 17,2026. She has completed her senior secondary education from the Punjab School Education Board and has two years of experience as an Accountant at VA Enterprise, where she managed accounts and bookkeeping activities.

Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the stock exchanges and reasons for suspension

None of our Directors is / was a Director in any listed company during the last five years before the date of filing of this Draft Red Herring Prospectus, whose shares have been / were suspended from being traded on any stock exchange.

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from any stock exchange.

Nature of any family relationship between any of the Directors or directors and key managerial personnel / senior management

None of the Directors or Director and Key Managerial Personnel or Senior Management of the Company are related to each other as per Section 2(77) of the Companies Act, 2013 except as discussed below:

Sr. No.	Name of Director	Designation	Relationship with other Directors
1.	Jagdev Singh	Managing Director	Father of Jasdil Singh
2.	Jasdil Singh	Whole Time Director	Son of Jagdev Singh

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understandings with any shareholder, customer, supplier, or other entity pursuant to which any of our Directors, Key Managerial Personnel, or members of the senior management have been appointed. Further, none of our Key Managerial Personnel have been appointed pursuant to any such arrangement or understanding. Our Company also does not have any Key Managerial Personnel or other persons nominated by any shareholder or any other entity.

Service Contracts

None of our Directors have entered into any service contracts with our Company, other than in their individual capacity as Directors, and no benefits are payable to them upon termination of their employment, other than statutory benefits. Further, except for statutory benefits payable upon termination or retirement, no officer of our Company, including the Directors and Key Managerial Personnel, is entitled to any benefits upon cessation of employment with our Company.

Borrowing Power of the Board

In terms of the special resolution passed at an Extra-Ordinary General Meeting of our Company held on December 08, 2025 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and the rules made thereunder, the consent of members of the Company has been accorded to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of ₹ 20 Crores.

Other Confirmations

As on the date of this Draft Red Herring Prospectus:

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE, during the term of their directorship in such company.
- None of the Directors are on the RBI List of wilful defaulters
- None of our Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(lll) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018. None of the above-mentioned Directors are on the RBI List of wilful defaulters as on the date of this Draft Red Herring Prospectus.
- None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Compensation of Managing Directors, and/or Whole-time Directors

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites, professional fee, consultancy fee, if any) paid to our Executive Director(s):

Name	**Jagdev Singh**
Designation	Managing Director
Date of Appointment / Change in Designation	He was originally appointed as a Director of the Company on its incorporation on December 08, 2021 till April 29,2022, and was subsequently re-designated as Managing Director from December 01,2025.
Period	3 Years
Salary	Up to ₹ 24,00,000/- p.a.
Bonus	NA
Perquisite/Benefits	NA
Commission:	NA
Compensation/ remuneration paid during the F.Y. 2025-26	3.20 Lakhs

Name	**Jasdil Singh**
Designation	Whole Time Director
Date of Appointment / Change in Designation	He was appointed as an Additional Director since April 29, 2022 and later regularized as Director on September 30,2022 and then as Managing Director on June 15,2024. Subsequently, he has been redesignated as a Whole Time Director from December 01,2025.
Period	3 Years
Salary	Up to ₹ 24,00,000 /- p.a.
Bonus	NA
Perquisite/Benefits	NA
Commission:	NA
Compensation/ remuneration paid during the F.Y. 2025-26	9.60Lakhs

Payments or Benefits to Our Directors

Non-Executive Directors:

Non-Executive Directors of the company - both Independent and Non-Independent - may be paid sitting fee, commission, and any other amounts as may be decided by our board in accordance with the provisions of the Articles of Association, the Companies Act, and other applicable laws & regulations.

Contingent and deferred compensation payable to the Directors

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

Bonus or profit-sharing plan for our directors

Our Company does not have any performance-linked bonus or a profit-sharing plan in which our directors have participated.

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our directors except the remuneration for services rendered. Our Company will not pay any remuneration to the Independent Directors of our Company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

Shareholding of Directors of our Company

As per the Articles of Association of our Company, a director is not required to hold any shares in our Company to qualify him/her for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of Director	No. of Equity Shares	Percentage of the pre-offer paid up share capital (%)	Percentage of the post-offer paid up share capital (%)
1.	Jagdev Singh	20,74,000	42.76%	[●]
2.	Jasdil Singh	21,16,000	43.63%	[●]
Total		**41,90,000**	**86.39%**	[●]

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances. Provided to anybody corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue. All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Except as stated in the chapter "***Our Management***" and "***Restated Financial Information***" beginning on page 146 and 165 respectively and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors are not interested in the appointment of or acting as Book Running Lead Manager, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Interest in promotion of Our Company

Except Jagdev Singh, Jasdil Singh, who are Promoters of our Company, none of our directors have any interest in the promotion of our Company other than in ordinary course of business.

Interest in the property of Our Company

Our directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company, except as follows:

Our company has purchased 998.21 Sq. Yards of land situated in Khata No. 106/122 in Khasra Nos. 18//4 (7 Kanals – 11 Marlas), 18//5/2 (7 Kanals 2 Marlas) in Village Paddi, Hadbast No. 254, Sub- Tehsil Dehlon, District Ludiana on July 09,2026 through conveyance deed No. 2026-27/106/1/10603 and 2026-27/106/1/10604 from Charanjit Kaur (immediate relative of our Managing Director).

Interest in the business of Our Company

Save and except as stated otherwise in "***Related Party Transaction***" in the chapter titled "***Restated Financial Information***" beginning on page number 165 of this Draft Red Herring Prospectus, our directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

Bonus or profit-sharing plan for the directors

There is no bonus or profit-sharing plan for the Directors of our Company.

Other indirect interest

Except as stated in the chapter titled "***Restated Financial Information***" beginning on page 165 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our directors.

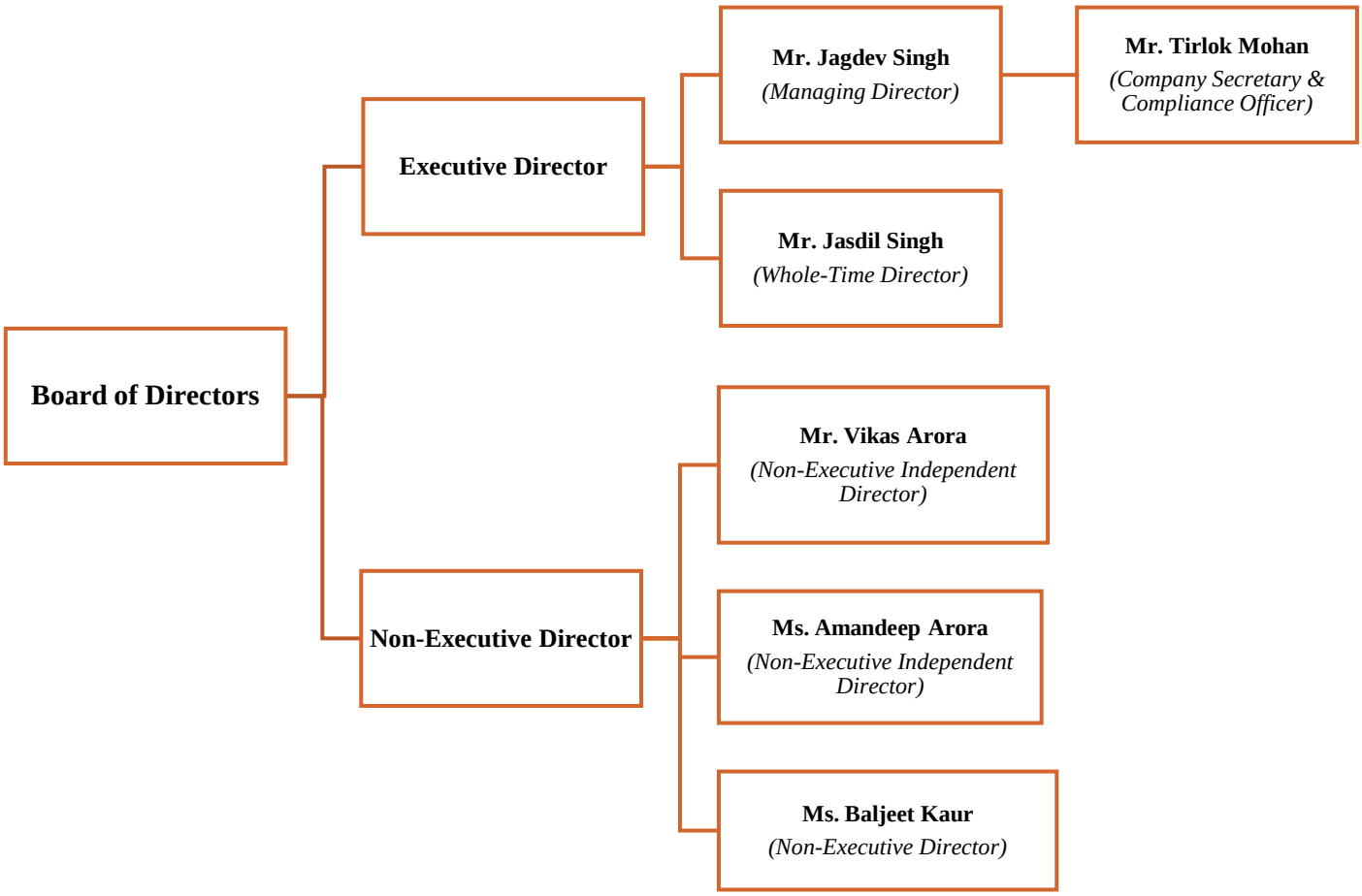
Changes in the Board of Directors During the Last Three Years

Save and except as mentioned below, there has been no change in directorships in the Last three years of our Company:

S. No	Name	Date of Appointment	Designation	Reason for the Change	Date of Change
1.	Charanjit Kaur	08.12.2021	Director	Cessation	04.08.2022
2.	Jagdev Singh	08.12.2021	Director	Cessation	29.04.2022
3.	Jasdil Singh	29.04.2022	Additional Director	Regularization	30.09.2022
4.	Jaskaran Singh	29.04.2022	Additional Director	Regularization	30.09.2022
5.	Jaskaran Singh	30.09.2022	Director	Cessation	30.12.2025
6.	Charanjit Kaur	15.06.2024	Additional Director	Regularization	24.07.2024
7.	Charanjit Kaur	24.07.2024	Director	Cessation	30.12.2025
8.	Jasdil Singh	30.09.2022	Director	Redesignation to Managing Director	15.06.2024
9.	Jagdev Singh	01.12.2025	Managing Director	-	

S. No	Name	Date of Appointment	Designation	Reason for the Change	Date of Change
10.	Jasdil Singh	01.12.2025	Whole Time Director (Redesignation)	-	
11.	Rupinder Kaur	01.12.2025	Non – Executive Director	Cessation	17.06.2026
12.	Amandeep Arora	01.12.2025	Independent Director	-	
13.	Vikas Arora	01.12.2025	Independent Director	-	
14.	Baljeet Kaur	17.06.2026	Non – Executive Director	-	

Management Organizational Structure



Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 with respect to Corporate Governance, the provisions of the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. As on the date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V are not applicable to our

Company, although we are required to comply with the requirements of the Companies Act, 2013 wherever applicable. Our Company has complied with the corporate governance requirements, particularly in relation to the appointment of independent directors including a woman director on our Board and the constitution of an Audit Committee and a Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Nomination and Remuneration Committee

Audit Committee

The Audit Committee was constituted vide Board resolution dated June 17, 2026, pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

Name of the Director	Position in the Committee	Designation
Vikas Arora	Chairman	Non- Executive Independent Director
Amandeep Arora	Member	Non- Executive Independent Director
Baljeet Kaur	Member	Non- Executive Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

- Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
- Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 134 of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as it mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.

The Audit Committee enjoys following powers:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise if it considers necessary
- The audit committee may invite such executives as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on the occasions, it may also meet without the presence of any executives of the Issuer. The finance director, head of the internal audit committee.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.
- Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be minimum of two independent members present

Any members of this committee may be removed or replaced any time by the board, any member of this committee ceasing to be a director shall cease to be a member of this committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on June 17, 2026, As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

Name of the Director	Position in the Committee	Designation
Amandeep Arora	Chairman	Non- Executive Independent Director
Vikas Arora	Member	Non- Executive Independent Director
Baljeet Kaur	Member	Non- Executive Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

The scope, functions, and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of Nomination and Remuneration Committee shall include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.

(1A). For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
   a. use the services of an external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
6. recommend to the board, all remuneration, in whatever form, payable to senior management.
7. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

The Nomination and Remuneration Committee is required to meet at least once in a financial year under Regulation 19(3A) of the SEBI Listing Regulations.

The quorum for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members of the committee, whichever is greater, including at least one independent director.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the BSE SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Sr. No.	Name, Designation, Educational Qualification & Term of office (with date of expiration of term) and details of service contracts including termination/retirement benefits, if any,		Age	Year of Joining	Compensation paid for F.Y. 26 (Amount in ₹ Lakhs	Overall experience (in years)	Previous employment	Past business experience, and functions and areas of experience
1	**Name:**	Jagdev Singh	64 Years	December 08, 2021.	₹ 2.40 Lakh	41 Years	Micro Engineers	Please refer "***Brief***

Sr. No.	Name, Designation, Educational Qualification & Term of office (with date of expiration of term) and details of service contracts including termination/retirement benefits, if any,		Age	Year of Joining	Compensation paid for F.Y. 26 (Amount in ₹ Lakhs	Overall experience (in years)	Previous employment	Past business experience, and functions and areas of experience
	Designation:	Managing Director		Appointment as MD: 01/12/2025				***profile of Directors"*** Table of this chapter
	Qualification:	B.Tech(Mechanical Engineering)						
	Term of Office:	3 years, from December 01, 2025 to November 30, 2028, liable to retire by rotation.						
	Service Contract:	NA						
2.	**Name:**	Jasdil Singh	34 Years	April 29,2022 Appointment as WTD: 01/12/2025	₹ 9.60 Lakh	12 Years	B.R. Metallics Private Limited	Please refer "***Brief profile of Directors"*** Table of this chapter
	Designation:	Whole Time Director						
	Qualification:	B.Tech in Mechanical Engineering						
	Term of Office:	3 years, from December 01, 2025 to November 30, 2028, liable to retire by rotation.						
	Service Contract:	NA						
33	**Name:**	Tirlok Mohan	35 Years	December 01,2025	₹ 1.20 Lakh	4 Years	Nagpal & Co.	Please refer "***Brief Profile of Key Managerial Personnel and Senior Management Personnel"*** Table of this chapter
	Designation:	Company Secretary						
	Qualification:	Bachelor of commerce and Company Secretary						
	Term of Office:	Permanent						
	Service Contract:	NA						

Sr. No.	Name, Designation, Educational Qualification & Term of office (with date of expiration of term) and details of service contracts including termination/retirement benefits, if any,		Age	Year of Joining	Compensation paid for F.Y. 26 (Amount in ₹ Lakhs	Overall experience (in years)	Previous employment	Past business experience, and functions and areas of experience
4	**Name:**	Rajesh Singla	40 Years	December 01,2025	₹ 1.60 Lakh	7 years	Avax Apparels and Ornaments Limited	Please refer "***Brief Profile of Key Managerial Personnel and Senior Management Personnel"*** Table of this chapter
	Designation:	Chief Financial Officer						
	Qualification:	Diploma in electrical engineering and Master of business administration degree in Finance Management						
	Term of Office:	Permanent						
	Service Contract:	NA						

Brief profile of Key Managerial Personnel and Senior Management Personnel

Jagdev Singh, Please refer "***Brief profile of Directors"*** on 147 Page number
Jasdil Singh, Please refer "***Brief profile of Directors"*** on 147 Page number
Tirlok Mohan is the Company Secretary of the Company, having joined the organization on December 01,2025. He holds a Bachelor of Commerce degree from the Indira Gandhi National Open University. He qualified as a Company Secretary in 2023. He has previously worked with Nagpal & Co. as an assistant compliance manager and has experience in handling matters relating to ROC and other regulatory compliances.
Rajesh Singla is the Chief Financial Officer of the Company, having joined the organisation on December 01,2025. He holds a diploma in electrical engineering from Punjab State Board of Technical Education and Industrial Training and Master of business administration degree in Finance Management from Chhatrapati Shahu Ji Maharaj University, Kanpur. He has 4 years' experience of working as Manager and head of accounts department and 3 years of experience as Chief Financial Officer of a company listed in 2025.

Changes in Key Managerial Personnel and Senior Management personnel in the past 3 years

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name of KMP	Date of appointment/ resignation	Designation (at the time of appointment/ resignation)	Reason
1.	Jasdil Singh	15.06.2024	Managing Director	Redesignated
2.	Jasdil Singh	01.12.2025	Whole-Time Director	Redesignated
3.	Jagdev Singh	01.12.2025	Managing Director	Appointment
4.	Tirlok Mohan	01.12.2025	Company secretary	Appointment
5.	Rajesh Singla	01.12.2025	Chief Financial Officer	Appointment

Attrition Rate as compared to industry

The following tables set forth our KMP attrition rate as of the periods indicated:

Particulars	March 31, 2026	March 31, 2025	March 31, 2024
Total Employees in Current Year	4	1	1
Left/Transferred & Retired Employees	Nil	Nil	Nil
Attrition Rate	Nil	Nil	Nil

As certified by Manoj K Goel & Associates, Chartered Accountants, the Statutory Auditors of our Company, by their certificate dated August 8, 2026.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel holds any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus, except as follows:

Sr. No.	Name	No. of Equity Shares held	Percentage of the pre-offer paid up share capital (%)	Percentage of the post-offer paid up share capital (%)
1.	Jagdev Singh	20,74,000	42.76%	[●]
2.	Jasdil Singh	21,16,000	43.63%	[●]
Total		**41,90,000**	**86.39%**	[●]

Interest of Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Bonus and/ or profit-sharing plan for the key managerial personnel

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

Contingent and deferred compensation payable to key managerial personnel

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

Payment of benefits to officers of our Company (non-salary related)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled "**Restated Financial Information**" and the chapter titled "**Our Business**" beginning on pages 165 and 109 of this Draft Red Herring Prospectus, we have not paid/given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

Notes:

All the key managerial personnel and senior management personnel mentioned above are on the payrolls of our Company as permanent employees.

There is no arrangements / understanding with major shareholders, customers, suppliers, or other pursuant to which any of the above-mentioned personnel have been recruited.

None of our Key Managerial Personnel & Senior Managerial Personnel has been granted any benefits in kind form our Company, other than their remuneration.

Retirement Benefits

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

Details of the Service Contracts of the Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel have entered into any service contracts with our Company except for acting in their individual capacity as KMP and no benefits are granted upon their termination from employment other than the statutory benefits provided by our Company. However, the KMP's have been issued Appointment letters for their term of appointment.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of or retirement from employment.

Loans given / availed by Directors / Key Managerial Personnel / Senior Management Personnel

There are no loans outstanding against the key managerial personnel other than the loan mentioned in the chapter – ***Restated Financial Information*** page 165 of this Draft Red Herring Prospectus.

Employee Stock Option Plan / Employee Stock Purchase Scheme

The Company has not granted or issued any Employee Stock Options (ESOPs)/ Employee Stock Purchase Scheme to its employees, directors, or Key Managerial Personnel as on date.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Jagdev Singh and Jasdil Singh are the promoters of our Company.

As on date of this Draft Red Herring Prospectus, our promoters' shareholdings in our Company are as follows:

S. No.	Name	Number of Equity Shares	Pre-Issue Shareholding as in % of Issued Capital
1.	Jagdev Singh	20,74,000	42.76%
2.	Jasdil Singh	21,16,000	43.63%

The face value of Equity share is ₹ 10.

Details of our Promoters are as follows:

Individual Promoters:



Name	**Jagdev Singh**
Date of Birth	April 26, 1962
Age	64 Years
Designation	Managing Director
Personal Address	House No. 3668,Street no. 5, opposite ATI College, Gill road, Chet Singh Nagar, Janta Nagar, Ludhiana,Punjab-141003
Educational Qualification	B.tech in Mechanical Engineering
Experience	41 Years of Experience in Working in Engineering and capital goods Industry.
Positions/ Post held in the Past	Originally, he was appointed as a director since the incorporation of the company, i.e., since December 08, 2021 till April 29,2022, and later his designation was changed to a Managing Director, liable to retire by rotation for a period of three years w.e.f. December 01,2025.
Directorships Held in the Past	NA
Other Ventures	Micro Engineers
Special Achievements	NA
Business & Financial Activities	The business and financial activities are carried out in the course of his profession as a Businessman.
PAN	ADTPS8241B



Name	**Jasdil Singh**
Date of Birth	September 20, 1991
Age	34 Years
Designation	Whole Time Director
Personal Address	House No. 3668, Street no. 5, opposite ATI College, Gill road, Chet Singh Nagar, Janta Nagar, Ludhiana, Punjab-141003
Educational Qualification	B.tech in Mechanical Engineering
Experience	12 Years of Experience.
Positions/ Post Held in the Past	He was appointed as an Additional Director since April 29, 2022 and later re-designated as Director on September 30,2022 and then as Managing Director on June 15, 2024.Subsequently, he has been redesignated as a Whole-Time Director w.e.f December 01,2025.

	Directorships Held in the Past	NA
	Other Ventures	Bhagya Infra Projects Limited
	Special Achievements	NA
	Business & Financial Activities	The business and financial activities are carried out in the course of his profession as a Businessman.
	PAN	FZVPS3597D

Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhaar Card Number, Passport Number and Driving License number of the Promoters will be submitted to the SME Platform of BSE Limited, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.

Corporate Promoters:

Our Company does not have any corporate entity, alternative investment fund, or foreign venture capital investor registered with the Board identified as a promoter. The promoters of our Company are individuals only, and there are no institutional or corporate promoters associated with our Company.

Change in the control of our Company

There has been no change in the control of our Company during the five years preceding the date of this Draft Red Herring Prospectus. The present Promoters of our Company are Mr. Jagdev Singh and Mr. Jasdil Singh. The initial subscribers to the Memorandum of Association of our Company were Ms. Charanjit Kaur and Mr. Jagdev Singh. Mr. Jasdil Singh was not an initial subscriber and was subsequently identified as a Promoter in terms of the SEBI ICDR Regulations.
For details of acquisition of shareholding by our Promoters, please see "Capital Structure**" on page 63.*

Interest of promoters

1. Our Promoters are interested in our Company: (i) to the extent that they have promoted our Company; (ii) to the extent of their direct or indirect shareholding in our Company, the shareholding of their relatives and entities in which our Promoters are interested and which hold Equity Shares in our Company; and (iii) the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives or such entities, if any. For further details, see "***Capital Structure – Details of Shareholding of our Promoters and members of our Promoter Group in our Company***" on page 63. "Additionally, our Promoters may be interested in transactions entered into by our Company with them, their relatives, or other entities (i) in which our Promoters hold shares, directly or indirectly, or (ii) which are controlled by our Promoters.

2. Nature and extent of the interest of promoter(s), directors or group companies

a. Interest in promotion of Our Company

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

b. Interest in the property of Our Company

Our Promoters have no interest in any property acquired by our Company neither in the preceding three years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus, except as follows:

Our company has purchased 998.21 Sq. Yards of land situated in Khata No. 106/122 in Khasra Nos. 18//4 (7 Kanals – 11 Marlas), 18//5/2 (7 Kanals 2 Marlas) in Village Paddi, Hadbast No. 254, Sub- Tehsil Dehlon, District Ludiana on July 09,2026 through conveyance deed No. 2026-27/106/1/10603 and 2026-27/106/1/10604 from Charanjit Kaur (member of our Promoter Group).

For more information, refer to "***Our Business***" beginning on page number 109 of this Draft Red Herring Prospectus and "*Note 32 -Related Party Transaction*" under section titled "***Restated Financial Information***"

c. Interest as member and directors of Our Company

Our Promoters hold 41,90,000 Shares aggregating to 86.39% of pre-issue Equity Share Capital in our Company and are therefore interested in the extent of his respective shareholding and the dividend declared, if any, by our Company. Except to the extent of his respective shareholding in our Company given in "***Capital Structure***" beginning on page 63 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

Further, our individual Promoters namely, Jagdev Singh and Jasdil Singh, who are also Directors and/or Key Managerial Personnel of our Company, may be deemed to be interested in the terms of their appointment as such, including in relation to benefits, remuneration, reimbursement of expenses, etc., payable to them, if any, in their capacity as Directors. For further details, see "***Our Management"*** on page 146.

d. Interest in any transaction in acquisition of land, construction of building and supply of machinery, etc.

Our Promoters also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Payment of benefits to our promoter and promoter group during the last two years

Except as disclosed in the section "*Note 32 -Related Party Transaction*" under section titled "***Restated Financial Information***" beginning on page number 165 of this Draft Red Herring Prospectus, there has been no Payment or benefit to promoter during the two (2) years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

Material guarantees

As on the date of this Draft Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

Our promoter may be interested to the extent of personal guarantees given by them in favour of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to "***Statement of Financial Indebtedness***" and "***Restated Financial Information***" on page 167 and 165 respectively of this Draft Red Herring Prospectus.

Companies / firms from which the promoter have disassociated themselves in the last (3) three years

Our Promoters has not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus, except as discussed below:

S. No	Name of Promoter	Company Name	Date of disassociation	Reason for and circumstances leading to dissociation and terms of disassociation
Nil				

Other ventures of our Promoters

Other than as disclosed in "- ***Promoter Group – Entities forming part of our Promoter Group***" and "***Our Group Companies***" on pages 160 and 194 our Promoters are not involved in any other ventures. Further, our Promoters do not have any direct interest in any venture that is involved in the same line of activity or business as conducted by our Company.

Outstanding Litigations details pertaining to our Promoters

For details of legal and regulatory proceedings involving our Promoters, please refer to "***Outstanding Litigation and Material Developments***" beginning on page 185 of this Draft Red Herring Prospectus.

Experience of our promoters in the line of business of our Company

Our promoters possess extensive experience in our industry. For information, refer to "***Our Management"*** beginning on page number 146 of this Draft Red Herring Prospectus.

Related Party Transactions

For details of related party transactions entered into by our Company, please refer to "Restated Financial Information – Note 32 – Related Party Disclosures" beginning on page 165 of this Draft Red Herring Prospectus.

Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by Reserve Bank of India.

Our Promoters have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under "***Outstanding Litigation and Material Developments***" beginning on page 185 of this Draft Red Herring Prospectus.

Our Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of our Promoter Group

The natural persons who are part of our Promoter Group, other than our Individual Promoters, are as follows:

Name of Promoter	Name of member of Promoter Group	Relationship with Promoter
Jagdev Singh	Charanjit Kaur	Wife
	Jasdil Singh	Son
	Jaskaran Singh	Son
	Rupinder Kaur	Daughter
Jasdil Singh	Jagdev Singh	Father
	Charanjit Kaur	Mother
	Jaskaran Singh	Brother
	Rupinder Kaur	Sister

Entities forming part of our Promoter Group

1. Micro Engineers
2. Bhagya Infra Projects Limited

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, the Company does not have a formal dividend policy. The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, read with the rules notified thereunder, each as amended. We may retain all our future earnings, if any, for purposes to be decided by our Company, subject to compliance with the provisions of the Companies Act. The quantum of dividend, if any, will depend on a number of factors, including but not limited to profits earned and available for distribution during the relevant Financial Year/Fiscal, accumulated reserves including retained earnings, expected future capital/expenditure requirements, organic growth plans/expansions, proposed long-term investment, capital restructuring, debt reduction, crystallization of contingent liabilities, cash flows, current and projected cash balance, and external factors, including but not limited to the macro-economic environment, regulatory changes, technological changes and other factors like statutory and contractual restrictions.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. The amounts declared as dividends in the past are not necessarily indicative of our dividend amounts, if any, in the future. For more information on restrictive covenants under our current loan agreements, see "***Financial Indebtedness***" on page 167 .

Our Company has not declared any dividend on the Equity Shares of our Company in the last three Fiscals and the period from April 1, 2025 until the date of this Draft Red Herring Prospectus

For further details, please refer to the section titled "***Restated Financial Information***" beginning on page 165 of this Draft Red Herring Prospectus.

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SECTION VI – RESTATED FINANCIAL INFORMATION

RESTATED AUDITED FINANCIAL INFORMATION

S. No.	Details	Page Number
1.	Independent Auditors' Report and Restated Financial Statements for the year ended March 31, 2024, March 31, 2025 March 31, 2026, of the Company	F1-F36

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MEENAKSHI GUJRAL & CO.
(CHARTEREDACCOUNTANTS)
107, CHANDERLOK ENCLAVE
PITAMPURA, DELHI- 110034
TEL:9899057743,011-27353413
Email-meenakshi_gujral@rediffmail.com
cameenakshigujral1209@gmail.com

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RETATED STANDALONE FINANCIAL STATEMENTS

To,
The Board Of Directors of
BHAGYA MACHINE TOOLS LIMITED
(Formly Known as Bhagya Steels Limited)
VPO Paddi, Hadbast No. 254,
Near Radhesham Pataka Factory,
Sub Tehsil Dehlon, Ludhiana, Punjab – 141206

Dea Sir,

Reference: Proposed Public Issue of Equity Shares of **BHAGYA MACHINE TOOLS LIMITED**

1. I/We have examined the attached Restated Standalone Financial Statements of M/s **BHAGYA MACHINE TOOLS LIMITED** (hereinafter referred to as "the Company," "Issuer"), comprising the Restated Statement of Assets and Liabilities as on March 31, 2024, as on March 31, 2025, and as on March 31, 2026; the Restated Statement of Profit & Loss; the Restated Cash Flow Statement for the year ended on March 31, 2024, as on March 31, 2025, and as on March 31, 2026; the Statement of Significant Accounting Policies and other explanatory Information (collectively, the Restated Standalone Financial Statements or Restated Financial Information), as approved by the Board of Directors in their meeting held on August 08, 2026 (for the purpose of inclusion in the Prospectus (being collectively referred as "Offer Document")) in connection with its proposed Initial Public Offering (IPO) on the SME Platform of BSE Limited (BSE-Emerge)

2. These restated summary statements have been prepared in terms of the requirements of:-

a) Section 26 of Part I of Chapter III of the Companies Act 2013, as amended (the "Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2020) issued by the Institute of Chartered Accountants of India an amended from time to time ("The Guidance Note")

3. The Company's Board of Directors is responsible for the preparation of the Restated Standalone Financial Statements for the purpose of inclusion in the offer documents to be filed with the Stock Exchange, the Securities and Exchange Board of India, and the Registrar of Companies, of the relevant state, in connection with the proposed IPO. The Restated Standalone Financial Statements have been prepared by the management of the Company for the year ended March 31, 2024, March 31, 2025, and March 31, 2026, on the basis of the notes to the restatement in Note IV to the Restated Standalone Financial Statements. The Board of Directors' responsibility includes designing, implementing, and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Standalone Financial Statements. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations, and the Guidance Note.

4. We have examined such Restated Standalone Financial Statements, taking into consideration:

MEENAKSHI GUJRAL & CO.
(CHARTEREDACCOUNTANTS)
107, CHANDERLOK ENCLAVE
PITAMPURA, DELHI- 110034
TEL:9899057743,011-27353413
Email-meenakshi_gujral@rediffmail.com
cameenakshigujral1209@gmail.com

a) The terms of reference and the terms of our engagement agreed upon with you in accordance with our engagement letter dated 1st December, 2025, in connection with the proposed IPO of equity shares of the Company;

b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Standalone Financial Statements; and

d) The requirements of Section 26 of the Act and the ICDR Regulations; our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations, and the Guidance Note in connection with the IPO.

5. This Restated Standalone Financial Statements have been complied by the management from audited Standalone financial statements of the company for the year ended on March 31, 2024, March 31, 2025, and March 31, 2026, which has been approved by the board of directors.

a) We have audited the special purpose financial information of the company for the year ended on March 31, 2026, prepared by the company in accordance with Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India, for the limited purpose of complying with the requirement of restated audited financial statements audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI, as required by the ICDR Regulations in relation to the proposed IPO. We have issued our report dated 08-08-2026 on this special purpose financial information which have been apporved by the Board of Directors at their meeting held on 08-08-2026

b) Audited financial statements of the Company for the years ended March 31, 2024, March 31, 2025, and March 31, 2026, prepared in accordance with the Accounting Standards that have been approved by the Board of Directors.

6. For the purpose of our examinations, we have relied on:

a) Auditor's Report issued by us dated 25-06-2026 for the year ended on March 31,2026 as referred in Paragraph 5(a) above; and

b) Auditor's Report issued by M/s Manoj K Goel & Associates (the "Auditors") dated 18th September, 2025 and 25th September, 2024 on the financial statements of the company for the year ended March 31, 2025 and March 31, 2024, respectively, and the Auditors' opinion on the financial statements is not modified; accordingly, reliance has been placed on the financial information examined by them for the said years. The financial information included for these years is based solely on the report they submitted.

7. Emphasis of matter:

Based on our examination and according to the information and explanations provided to us, we report that, in the restated standalone financial statements, there are no emphasis of matters in this Company.

8. Based on our examination and the information and explanations provided to us, we report that:

MEENAKSHI GUJRAL & CO.
(CHARTEREDACCOUNTANTS)
107, CHANDERLOK ENCLAVE
PITAMPURA, DELHI- 110034
TEL:9899057743,011-27353413
Email-meenakshi_gujral@rediffmail.com
cameenakshigujral1209@gmail.com

a) The "Restated Summary Statements of Assets and Liabilities" set out in Annexure 1 to this report, of the Company as at March 31, 2026, March 31, 2025, and March 31, 2024, are prepared by the Company and approved by the Board of Directors. These Restated Consolidated Statements of Assets and Liabilities have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate, and more fully described in the significant Accounting Policies and Notes to Accounts as set out in Annexure 4 of this Report.

b) The "Restated Summary Statements of Profit and Loss" as set out in Annexure 2 to this report, of the Company as at March 31, 2026, March 31, 2025, and March 31, 2024, and is prepared by the Company and approved by the Board of Directors. These Restated Consolidated Statements of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company as, in our opinion, were appropriate, and more fully described in the significant Accounting Policies and Notes to Accounts as set out in Annexure 4 of this report.

c) The "Restated Summary Statements of Cash Flow" as set out in Annexure 2 to this report, of the Company as at March 31, 2026, March 31, 2025, and March 31, 2024, are prepared by the Company and approved by the Board of Directors. These Restated Consolidated Statements of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company as, in our opinion, were appropriate, and more fully described in the significant Accounting Policies and Notes to Accounts as set out in Annexure 4 of this report.

d) The Restated Standalone Summary Statement has been prepared in accordance with the Act, the ICDR Regulations, and the Guidance Note.

e) The Restated Standalone Summary Statement has been made after incorporating adjustments for changes in accounting policies for retrospective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;

f) The Restated Standalone Summary Statement has been made after incorporating adjustments for prior period and other material amounts, if any, in the respective financial years to which they relate, if any, and there is no qualification that requires adjustments.

g) The Restated Standalone Summary Statement do not contain any extraordinary items that need to be disclosed separately other than those presented in the restated financial statement, and it does not contain any qualification requiring adjustments.

h) There were no qualifications in the audit reports issued by the statutory auditors for the financial year ended March 31, 2026, March 31, 2025, and March 31, 2024, which would require adjustments in these restated financial statements of the Company.

i) Profits and Losses have been arrived at after charging all expenses, including depreciation, and after making such adjustments/restatements and regroupings as, in our opinion, are appropriate, and are to be read in accordance with the significant Accounting Policies and Notes to Account as set out in Annexure 4 to this point.

j) Adjustments in Restated Financial Statements have been made in accordance with the correct accounting policies

k) There was no change in the accounting policies that needed to be adjusted in the Restated Financial Statement.

MEENAKSHI GUJRAL & CO.
(CHARTEREDACCOUNTANTS)
107, CHANDERLOK ENCLAVE
PITAMPURA, DELHI- 110034
TEL:9899057743,011-27353413
Email-meenakshi_gujral@rediffmail.com
cameenakshigujral1209@gmail.com

l) There are no revaluation reserves that need to be disclosed separately in the Restated Financial Statement.

m) The Company has not paid or proposed any dividend in the past effective for the said period.

9. We, Meenakshi Gujral & Co, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI), and our peer review certificate is valid as on the date of signing of this report.

10. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements.

11. This report should not in any way be construed as a reassurance or re-dating of any of the previous audit reports issued by the Company Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use by the Board of Directors for inclusion in the prospectus to be filed with stock exchanges in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or resume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or whose hands it may come without our prior written consent.

FOR MEENAKSHI GUJRAL & CO.
Chartered Accountants
FRN: 015133N
Peer Review No.: 015002

Meenakshi Gujral
Partner
M No. : 092171
UDIN:26092171BUVLFC1943
Date: 08-08-2026
Place : New Delhi

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexure 1 - Restatement of Assets and Liabilities

All amounts Rs. in Lacs unless otherwise stated

	PARTICULARS	Annexure No.	As at 31-Mar-26	As at 31-Mar-25	As at 31-Mar-24
I	**EQUITY AND LIABILITIES**				
	1.SHAREHOLDERS FUNDS				
	a) Share Capital	6	485.00	100.00	100.00
	b) Reserves & Surplus	7	1541.31	728.31	226.59
	c) Money Received against Share Warrants		-	-	-
	2. SHARE APPLICATION MONEY PENDING ALLOTMENTS		-	-	-
			2026.31	**828.31**	**326.59**
	3. NON CURRENT LIABILITIES				
	a) Long Term Borrowings	8	39.79	371.30	31.75
	b) Deferred Tax Liabilities (Net)	9	9.08	5.48	2.38
	c) Other Long Term Liabilities		-	-	-
	d) Long Term Provisions	10	3.86	3.20	-
			52.73	**379.99**	**34.13**
	3.CURRENT LIABILITIES				
	a) Short Term Borrowings	11	247.39	247.92	138.53
	b) Trade Payables				
	- total outstanding dues of micro enterprises and small enterprises		693.49	445.74	401.40
	- total outstanding dues of creditors other than micro enterprises and small enterprises	12	104.38	53.99	99.85
	c) Other Current Liabilities	13	96.26	44.12	4.65
	d) Short Term Provisions	14	115.33	99.45	40.51
			1256.86	**891.23**	**684.94**
	Total Equity and Liabilities		**3335.89**	**2099.53**	**1045.65**
II	**ASSETS**				
	1.NON CURRENT ASSETS				
	a) Property, Plant & Equipment & Intangible Assets				
	- Property, Plant & Equipment		386.30	417.80	121.12
	- Intangible Assets	15	-	-	-
	- Capital Work-in-Progress		-	-	-
	- Intangible Assets under Development		-	-	-
	b) Non Current Investments		-	-	-
	c) Deferred Tax Assets (Net)		-	-	-
	d) Long-Term Loan and Advances		-	-	-
	e) Other Non-Current Assets	16	.10	.10	-
			386.40	**417.90**	**121.12**
	2.CURRENT ASSETS				
	a) Current Investments		-	-	-
	b) Inventories	17	1537.58	740.45	302.81
	c) Trade Receivables	18	1308.73	861.35	602.47
	d) Cash & Cash Equivalents	19	32.35	61.97	8.28
	e) Short Term Loans & Advances	20	67.70	5.20	10.84
	f) Other Current Assets	21	3.12	12.65	.12
			2949.48	**1681.63**	**924.53**
	Total Assets		**3335.89**	**2099.53**	**1045.65**

Summary of significant accounting policies 4
The accompanying notes form an integral part of these financial statements. 1 to 43
As per our report of even date.

For and on behalf of
Bhagya Machine Tools Limited

In terms of our report attached
For Meenakshi Gujral & Co

Jagdev Singh
Managing Director
DIN - 09428375

Jasdil Singh
Whole Time Director
DIN -09578743

Meenakshi Gujral
Partner
Membership No. 092171
Firm registration No 015133N
UDIN: 26092171BUVLFC1943
PLACE: DELHI
DATED: 08-08-2026

Rajesh Singla
C.F.O
Pan: CNOPS7915R

Tirlok Mohan
Company Secretary
M. No. 70713

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexure 2 - Restated Statement of Profit and (Loss)

All amounts Rs. in Lacs unless otherwise stated

	PARTICULARS	Annexure No.	For the year Ended 31-Mar-26	For the year Ended 31-Mar-25	For the year Ended 31-Mar-24
I	**Revenue from operations**	22	6838.42	6544.35	3330.61
II	**Other Income**	23	.2	.7	1.57
III	**Total Income (I +II)**		**6838.44**	**6544.42**	**3332.18**
IV	**Expenses**				
	Cost of Materials Consumed	24	6704.62	5637.70	2865.17
	Purchase of Stock in Trade	25	-	507.10	230.50
	Changes in Inventories of Finished Goods, Work in Progress & Stock in Trade	26	-1010.48	-324.74	-66.68
	Employee benefits expenses	27	49.52	44.66	17.00
	Finance Cost	28	30.55	19.03	11.40
	Depreciation and amortisation expenses	15	32.94	19.07	8.56
	Other Expenses	29	38.95	35.83	17.28
	Total Expenses		**5846.11**	**5938.64**	**3083.23**
V	**Profit/(Loss) before Exceptional and Extra-ordinary Items and Tax(III-IV)**		**992.34**	**605.78**	**248.95**
VI	**Exceptional items**		-	-	-
VII	**Profit/(Loss) before Extra ordinary Items and Tax(V-VI)**		**992.34**	**605.78**	**248.95**
VIII	**Extra-Ordinary items**		-	-	-
IX	**Profit/(Loss) before Tax (VII-VIII)**		**992.34**	**605.78**	**248.95**
X	**Tax Expenses:**				
	1. Current Tax expense for the current year		167.74	100.96	41.48
	2. Deferred Tax		3.60	3.10	1.27
	3.Current Tax expense relating to prior years/Prior Period Adjustment		-	-	-
XI	**Profit/(Loss) for the period (IX-X)**		**821.00**	**501.72**	**206.20**
XII	**Earnings per Equity Share:**				
	(a)Basic	37	19.64	12.54	5.15
	(b)Diluted	37	19.64	12.54	5.15

The accompanying notes form an integral part of these financial statements. 1 to 43

For and on behalf of
Bhagya Machine Tools Limited

In terms of our report attached
For Meenakshi Gujral & Co

Jagdev Singh
Managing Director
DIN - 09428375

Jasdil Singh
Whole Time Director
DIN -09578743

Meenakshi Gujral
Partner
Membership No. 092171
Firm registration No 015133N
UDIN: 26092171BUVLFC1943
PLACE: DELHI
DATED: 08-08-2026

Rajesh Singla
C.F.O
Pan: CNOPS7915R

Tirlok Mohan
Company Secretary
M. No. 70713

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexure 3 - Restated Statement of Cash Flow Statement

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For the period/year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Cash flow from operating activities			
Net Profit/(Loss) before tax	**992.34**	**605.78**	**248.95**
Adjustments to reconcile profit before tax to cash generated from operating activities			
Depreciation and amortisation expense	**32.94**	**19.07**	**8.56**
Provision for Gratuity	.65	3.21	-
Finance costs	**30.55**	**19.03**	**11.40**
Operating profit before working capital changes	**1056.47**	**647.09**	**268.91**
Adjustments for (increase)/decrease in operating assets			
Inventories	-797.14	-437.64	-273.56
Trade receivables	-447.38	-258.88	-221.42
Other Short Term Loans & Advances	-62.50	5.64	-11.65
Other Current Assets	9.53	-12.53	2.40
Other Non Current Assets	-	-	-
Adjustments for increase/(decrease) in operating liabilities			
Trade payables	298.15	-1.52	141.49
Other Current liabilities (including Provisions)	68.01	98.42	37.00
Cash (used in)/generated from operations	**125.16**	**40.57**	**-56.83**
Less: Income tax paid (net of refunds)	-167.74	-100.96	-41.48
Net cash flow (used in)/generated from operating activities (A)	**-42.59**	**-60.38**	**-98.31**
Cash flows from investing activities			
Proceeds from PPE and intangible assets	-	-	-
Payments for PPE and intangible assets	-1.44	-315.75	-33.53
Changes in Other non current asset	-	-.10	-
Interest income	-	-	-
Net cash flow from investing activities (B)	**-1.44**	**-315.85**	**-33.53**
Cash flows from financing activities			
Proceeds from Long Term borrowings	25.50	371.30	31.75
Proceeds from Short Term borrowings	247.39	247.92	138.53
Repayment of Long Term borrowings	-25.02	-31.75	-19.15
Repayment of Short Term borrowings	-247.92	-138.53	-3.74
Issue of equity shares	45.00	-	-
Finance costs	-30.55	-19.03	-11.40
Security premium of equity shares	-	-	-
Net cash inflow from/(used in) financing activities (C)	**14.40**	**429.92**	**135.99**
Net increase (decrease) in cash and cash equivalents (A+B+C)	**-29.62**	**53.69**	**4.16**
Cash and cash equivalents at the beginning of the year	61.97	8.28	4.12
Cash and cash equivalents at the end of the year	**32.35**	**61.97**	**8.28**

Notes to Statement of cash flows:

Components of cash and bank balances	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Cash and cash equivalents	32.35	61.97	8.28
Cash and bank balances at end of the year	**32.35**	**61.97**	**8.28**

The above Cash Flow Statement has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013.

For and on behalf of
Bhagya Machine Tools Limited

Jagdev Singh
Managing Director
DIN - 09428375

Jasdil Singh
Whole Time Director
DIN -09578743

Rajesh Singla
C.F.O
Pan : CNOPS7915R

Tirlok Mohan
Company Secretary
M. NO: 70713

In terms of our report attached
For Meenakshi Gujral & Co

Meenakshi Gujral
Partner
Membership No: 092171
Firm Registration No: 015133N
UDIN: 26092171BUVLFC1943
Place: Delhi
Dated: 08-08-2026

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexure 4 - Significant Accounting Policy And Notes To The Restated Financial Statements

Note 1: Coporate Information

Bhagya Machine Tools Limited is a Public company (formerly known as 'Bhagya Steels Ltd') ("the Company") domiciled in India & incorporated on 8th December 2021, under the provision of the Companies Act, 2013. It is involved in Manufacturing of Power press machines, C.I.Casting, and its Parts.

Note 2: Significant accounting policies

a. Basis of preparation of financial statements:

The Restated Financial Information comprises the restated statement of assets and liabilities as at financial year 31 March 2026, financial year 31 March 2025, and 31 March 2024, the restated statement of profit and loss, the restated cash flow statement, significant accounting policies adopted in preparation of Restated Financial Information and notes forming part of the Restated Financial information for financial year 31 March 2026 and years ended 31 March 2025 and 31 March 2024 (collectively referred to as "Restated Financial Information). The Restated Financial Information have been prepared by the Management of the Company to comply with the requirements of :

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Financial Information have been prepared specifically for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus ("Offer documents") in connection with the proposed SME Initial Public Offer of equity shares of the Company (hereinafter referred to as 'IPO'). As a result, the Restated financial information may not be suitable for any other purpose.

These Restated Financial Information have been compiled from:

a) the audited financial statements of the Company as at and for financial year 31 March 2026, prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on 25th June 2026.

a) the audited financial statements of the Company as at the year ended March 31, 2025, prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on 18th September 2025.

b) the restated audited financial statements of the Company as at and for the year ended March 31, 2024, prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2021, as amended and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on 20th September 2024.

The Restated Financial Information does not reflect the effects of events that that occurred subsequent to the respective dates of board meeting held to approve and adopt the audited financial statements as mentioned above.
The Restated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below:

a) the Restated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively, if any, in the financial years ended March 31, 2025 and March 31, 2024 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the year ended March 31, 2026 ;

b) there are no qualifications in the underlying auditors' reports in respect of audited financial statements as stated above, which requires any adjustment to the Restated Financial Information ; and

c) the Restated Financial Information have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
The Restated Financial Information have been presented in Indian Rupees and all values have been rounded off to nearest Lacs with two decimals thereof, unless otherwise stated.

Note 2(b): Significant accounting policies adopted in preparation of Restated Financial Information

1 Revenue Recognition

i. Revenue from sale of goods is recognised when all significant risks and rewards of ownership is transferred to the buyer and the company retains no effective control of goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
Other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

2 Property, Plant & Equipment

Property, Plant & Equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses. Cost comprise the purchase price and other attributable costs including financing costs of borrowed funds attributable to acquisition of qulaifying assets for the period upto date when the asset is ready for use.

Depreciation on Property, Plant and Equipments is provided on SLM Basis as specified in Schedule II of the Companies Act, 2013 as under. Depreciation for assets purchased / sold during a period is proportionately charged.

Further, no assets have been revalued during the year by the Company.

PARTICULARS	Useful life	Rate of Depreciation (%)
Building	30 years	3.33
Plant & Equipment	15 years	6.33
Furniture & Fixture	10 years	9.5
Electrical Equipments	10 years	9.5
Computers/Laptops	3 years	19
Vehicles	8 years	11.88
Intangible Assets	4 years	25
Office Equipments	8 years	11.88

3 Valuation of Inventories

Inventories are valued at the lower of cost and net realised value. Cost includes cost of purchases, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. The Company is having inventory in the shape of Power Press Machines, C.I.Casting, Round, Angles and Its Parts.

4 Earnings per share

Basic Earnings per share (before dilution) is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the company by the weighted average number of shares for the period.

Diluted Earnings per Share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the company by dividing the weighted average number of shares determined and assuming conversion of all potential securities.

5 Employee Benefits

(a) Short Term Employee Benefits

Short term employee benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the period in which the related service is rendered.

(b) Post Employment Benefits

(i) Defined Contribution Plans

The Employer's contribution to Provident Fund and Employees Pension Scheme, a defined contribution plan is made in accordance with the Provident Fund Act, 1952 read with the Employees Pension Scheme, 1995. The contribution to the Scheme is recognised as an expense in the statement of profit and loss in which contribution to such schemes becomes due and when services are rendered by the employees.

(ii) Defined Benefit Plans:

The gratuity liability is determined and provided using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date by an independent valuer. Actuarial gains and losses are recognized in the statement of profit and loss in the period in which they occur.

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6 Contingent liabilities

A disclosure for a contingent liability is made when there is :

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(ii) a present obligation that arises from past events but is not recognised because:

a.) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

b.) the amount of the obligation cannot be measured with sufficient reliability.

7 Impairment of Assets

At each balance sheet date an assessment is made whether any indication exists that an asset/cash generating unit has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account. No such impairement provision was made.

8 Borrowing Costs

Borrowing costs in relation to borrowings that are directly attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

9 Accounting for Taxes on Income

The accounting treatment followed for taxes on income is to provide for current tax and deferred tax. Current tax is the aggregate amount of income tax determined to be payable in respect of taxable income for a period in accordance with the provisions of the Income tax Act,1961.

Deferred tax is the tax effect of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at its reporting dates. Deferred tax assets and deferred tax liabilities have been set off as it relates to income taxes levied by the same taxation authority.

10 Foreign Currency Transaction

(i) Foreign currency transactions are recorded on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Foreign currency monetary items are reported using the closing rate as at the date of balance sheet. The exchange difference arising on the settlement of monetary items or on reporting these items at rate different from those at which they are initially recorded during the period or reported in the previous financial statements are recognized as income or expenses in the period in which they arise.

11 Intangible Assets

Intangible Assets are stated at cost less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on straight line method from the date they are available for use.

12 Leases

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals paid for such leases are recognized as an expense on systematic basis over the term of lease.

13 Events occuring after the balance sheet date

In the opinion of the management, there have been no material events, occurrences, or changes in circumstances between the balance sheet date and the date of approval of these Restated Financial Statements that would require adjustments to or disclosure in these financial statements, except as otherwise disclosed in the Prospectus.

14 Provisions

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value.

15 CSR and CARO Applicability

The company/s profit in F.Y. 24-25 has exceeded 5 crores and consequently in accordance with the provisions of Section 135 of the Companies Act, 2013, company is liable for CSR in the following Financial year F.Y. 25-26. Further, reporting of CARO in the Audit Report is also applicable F.Y. 25-26 onwards.

CARO 2020 is applicable to the Company for the financial year ended 31 March 2025, as the Company was converted from a private limited company into a public limited company on 05 September 2024 and accordingly the exemption available to a private company is not applicable for the said financial year.

16 Borrowings against Current Assets

The Company's borrowings secured against current assets are not earmarked for any specific asset acquisition and are used for working capital requirements in the ordinary course of business. The current assets so charged continue to be available for use in the normal course of business.

17 Going Concern Basis and Consistency

The financial statements have been prepared on a going concern basis in conformity with the applicable Accounting Standards. The accounting policies adopted by the Company are consistent with those followed in the previous period, except where changes are mandated by statute or appropriately disclosed.

18 Segment Reporting

A Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure. The chief operating decision maker identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

The Board of Directors examines the Company's performance from business activities perspective and have identified the

Reportable segments	Operations	
Power Press Machines	The Company manufacturing in power press machines and its parts	

B Information about reportable segments

Segment assets, segment liabilities and Segment profit and loss are measured in the same way as in the financial statements.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing, if any, is determined on an arm's length basis.

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexures Forming Part of the Restated Financial Information

Annexure 5 - Impact of Restatement adjustments on the financial information

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective period/years and its impact on the Net profit.

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at 31-Mar-26	As at 31-Mar-25	As at 31-Mar-24
Net Profit after Tax as per audited financial statements	820.31	509.58	206.32
Adjustments			
For changes in Gratuity Expense	(0.65)	(3.20)	-
For changes in Provision for Income Tax	1.34	1.14	(0.09)
For changes in Deferred Tax	-	0.76	(0.03)
For changes in Other Expenses	-	(6.56)	-
Total Adjustments	**0.69**	**(7.86)**	**(0.12)**
Restated Net Profit after Tax	**821.00**	**501.72**	**206.20**

(a) Reconciliation of restated net worth

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at 31-Mar-26	As at 31-Mar-25	As at 31-Mar-24
Net worth as per audited (standalone) financial statements	2,027.04	829.73	326.71
Adjustments			
Increase/(Decrease) in Profit after Tax	0.69	(7.86)	(0.12)
Increase/(Decrease) on account of reclassification of expenses	-	6.56	-
Increase/(Decrease) in Accumulated Profits	(1.42)	(0.12)	-
Total Adjustments	**(0.73)**	**(1.42)**	**(0.12)**
Restated Net Worth	**2,026.31**	**828.31**	**326.59**

(b) Explanatory notes for the restatement adjustments

i) Adjustment of Gratuity Expenses

Company had accounted gratuity on only in FY 2025-26 in Statutory Audit, however during the restatement, Company has complied with the requirement of AS – 15 (Revised)"Employee Benefits" and accordingly booked Gratuity expenses basis of actuarial valuation report.

ii) Adjustment on account of Provision of Deferred Tax Assets

Due to Provision for Gratuity/ Leave Encashment (Employee benefits) and disallowance u/s 43B of the Income Tax Act 1961 along with difference in Property, plant and equipment tax base and written down value as per books of accounts which are temporary timing differences, during the period of restatement, the Company has recalculated the deferred tax liability and deferred tax assets at the end of respective year ended at the rate of normal tax rate applicable at the end of relevant year. For more details refer table of Reconciliation of Statement of Profit and loss as above.

iii) Provision of Income Tax (Current/Prior Period):

During the restatement, the Income tax provision was recalculated on restated Profit/(Loss) of respective year as per the prevailing tax rates, accordingly the effect of revised income tax provision has been made in the Restated Statement of Profit and Loss. Short/(Excess) provision has adjusted in respective year/period.

iv) Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for all the years.

v)"During the restatement of the financial statements for FY 2024–25, other expenses that had been deducted from reserves and surplus were reclassified appropriately. Following the correction of the accounting entry, the impact was duly adjusted in the restated net worth."

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexure 6 - Restated Statement of Equity Share Capital

PARTICULARS	As at					
	31-Mar-26		31-Mar-25		31-Mar-24	
SHARE CAPITAL	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
AUTHORISED SHARE CAPITAL						
Equity Shares of face value of Rs.10/-each	70,00,000	700.00	70,00,000	700.00	10,00,000	100.00
ISSUED, SUBSCRIBED & FULLY PAID UP						
Equity Shares of face value of Rs.10/-each fully paid up	48,50,000	485.00	10,00,000	100.00	10,00,000	100.00
		485.00		**100.00**		**100.00**

a. **Reconcilation of share capital at the beginning and at the end of the reporting period**

Equity Shares:

PARTICULARS	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the period	10,00,000	100.00	10,00,000	100.00	10,00,000	100.00
Add: Issued during the period *	8,50,000	85.00	-	-	-	-
Add: Bonus Shares issued *	30,00,000	300.00	-	-	-	-
As at the end of the period	48,50,000	485.00	10,00,000	100.00	10,00,000	100.00

b. **Terms/Right attached to shares:**

The Company has only one class of equity shares having a par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend which is approved by the Board of Directors. No dividend has been declared by the company during the financial Years 31 March 2026, 31 March 2025 and 31 March 2024.

*During the financial year the company issued 30,00,000 fully paid up equity shares of face value Rs. 10/- each for bonus issue at a ratio of 3:1 on December 15, 2025 and the company has issued 4,00,000 fully paid up equity shares of face value of Rs 10/- each for right issue on premium for Rs 73/- each share in lieu of conversion of director loan on December 31,2025. The equity shares issued during the year were issued at market price and hence the rights issue does not contain any bonus element. Accordingly, no retrospective adjustment to the weighted average number of equity shares has been made while computing EPS. The company has also issued 4,50,000 fully paid up equity shares of face value of Rs 10/- each on rights basis on January 23,2026.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all prefrential amounts. The distribution will be in proportion to the no. of equity share held by the Shareholder.

Shares held by holding company or ultimate holding company or subsidiaries or associates of the holding company or the ultimate holding company.

There is no holding or ultimate holding company of the Company.

c. **Shareholding of more than 5%:**	31-Mar-26		31-Mar-25		31-Mar-24	
	No of Shares	%	No of Shares	%	No of Shares	%
Jasdil Singh	21,16,000	43.63%	4,00,000	40.00%	4,00,000	40.00%
Jaskaran Singh	-	0.00%	4,00,000	40.00%	4,00,000	40.00%
Jagdev Singh	20,74,000	42.76%	-	0.00%	1,00,000	10.00%
Charanjit Kaur	-	0.00%	-	0.00%	1,00,000	10.00%

d. Shareholding of the Promoters and Promoter Group

Name of Promoter and Promoter Group	31-Mar-26		31-Mar-25		31-Mar-24	
	No of Shares	%	No of Shares	%	No of Shares	%
Jasdil Singh	21,16,000	43.63%	4,00,000	40.00%	4,00,000	40.00%
Jaskaran Singh	2,02,000	4.16%	4,00,000	40.00%	4,00,000	40.00%
Jagdev Singh	20,74,000	42.76%	40,000	4.00%	1,00,000	10.00%
Charanjit Kaur	4,000	0.08%	40,000	4.00%	1,00,000	10.00%
Rupinder Kaur	2,000	0.04%	40,000	4.00%	-	-
	43,98,000	**90.68%**	**9,20,000**	**92.00%**	**10,00,000**	**100.00%**

e. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

PARTICULARS	As at				
	31-Mar-26	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-23
Equity Shares alloted as fully paid up by way of bonus shares	30,00,000	-	-	-	-
Equity Shares alloted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Equity Shares bought back by the Company	-	-	-	-	-

f. Change In Shareholding Of The Promoters and Promoter Group

Name of Promoter and Promoter Group	As at					
	31-Mar-26		31-Mar-25		31-Mar-24	
	% Change	%	% Change	%	% Change	%
Jasdil Singh	3.63%	43.63%	-	40.00%	-	40.00%
Jaskaran Singh	-35.84%	4.16%	-	40.00%	-	40.00%
Jagdev Singh	38.76%	42.76%	60.00%	4.00%	-	10.00%
Charanjit Kaur	-3.92%	0.08%	60.00%	4.00%	-	10.00%
Rupinder Kaur	-3.96%	0.04%		4.00%	-	-
		90.68%		**92.00%**		**100.00%**

Reason for % change:

The change in shareholding is pursuant to inter-transfer of shares between the Promoters & promoter group

Annexure 7 - Restated Statement of Reserves and Surplus

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Securities Premium Reserves			
Opening balance	-	-	-
Add: Additions during the year	292.00	-	-
Closing balance	**292.00**	**-**	**-**
General Reserves			
Opening balance	-	-	-
Add: Additions during the year	-	-	-
Less: Utilised during the year	-	-	-
Closing balance	**-**	**-**	**-**
Capital Reserves	-	-	-
Capital Redemption Reserves	-	-	-
Debenture Redemption Reserves	-	-	-
Revaluation Reserves	-	-	-
Share Options Outstanding Account	-	-	-
Surplus in Statement of Profit & Loss			
Balance as at the begining of the year	728.31	226.59	20.39
Adjustments:			
-Any other Appropriation	-	-	-
Restated Opening Balance	**728.31**	**226.59**	**20.39**
Add: Profit/(Loss) for the year	821.00	501.72	206.20
Less : Issue of Bonus Shares	-300.00	-	-
Proposed Dividend	-	-	-
Final Dividend	-	-	-
Transfer to Other Reserves	-	-	-
	1249.31	**728.31**	**226.59**
Total Reserves & Surplus	**1541.31**	**728.31**	**226.59**

Notes

1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexure 8 - Restated Statement of Long Term Borrowings

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	Non-Current Maturities			Current Maturities		
	31-Mar-26	31-Mar-25	31-Mar-24	31-Mar-26	31-Mar-25	31-Mar-24
I. **Secured**						
Bonds/Debentures	-	-	-	-	-	-
Term Loans						
(a) From Banks	14.29	23.37	31.50	9.09	8.12	7.26
(b) From NBFC	-	-	-	-	-	-
Loans from Directors and related parties	-	-	-	-	-	-
Others (Secured)	-	-	-	-	-	-
	14.29	**23.37**	**31.50**	**9.09**	**8.12**	**7.26**
II **Unsecured**						
Term Loans						
(a) From Banks	-	-	-	-	-	-
(b) From NBFC	25.50	-	-	-	-	-
Loans from Directors and related parties	-	347.93	.25	-	-	-
Others (Unsecured)	-	-	-	-	-	-
	25.50	**347.93**	**.25**	**-**	**-**	**-**
Total	**39.79**	**371.30**	**31.75**	**9.09**	**8.12**	**7.26**

Name Of Lender	Security	Purpose of Loan	Sanction (In lakhs)	Tenure (Months)	Total Outstanding as on 31-Mar-26	Total Outstanding as on 31-Mar-25	Total Outstanding as on 31-Mar-24	ROI (in % p.a.)	Terms of Repayment
HDFC Bank	Secured Loan against Vehicle	Business Loan	23.08	60	10.30	14.90	19.05	10.51%	Repayable in 60 installments of 49,619 Rs. each.
Axis Bank	Secured Loan against Current assets and personal guarantee of the Directors	Business Loan	240.00	-	-	-	-	10.00%	Overdraft facility from Axis Bank, which is secured by a first charge on the current assets of the Company, including hypothecation of inventories and trade receivables. The facility is further secured by a charge on the fixed assets of the Company and against personal guarantees of the Directors.
Yes Bank	Secured Loan	Business Loan	20.00	60	13.08	16.59	19.71	12.20%	Repayable in 60 installments of Rs. 44,590 each.
Godrej Finance	Unsecured Loan against Personal Guarantee of Directors	Business Loan	25.50	60	25.50			18.00%	Repayable in 60 installments of Rs. 70,834 each starting from September 2027, upto which date only interest is payable.
Jasdil Singh	Unsecured Loan*	Business Loan	-	-	-	172.93	-	0.00%	Repayable on Demand
Jagdev Singh	Unsecured Loan*	Business Loan	-	-	-	-	-	0.00%	Repayable on Demand
Jaskaran Singh	Unsecured Loan*	Business Loan	-	-	-	175.00	.25	0.00%	Repayable on Demand
				Total	**48.87**	**379.43**	**39.01**		

**The Company has received unsecured loans from directors and related parties. These loans do not carry any interest and have no fixed tenure. The said loans are repayable on demand.*

Note:

1.The Company does not have any continuing default in repayment of loans and interest as on the reporting date.

2.The Company has not taken any loan from financial institution or banks for any specified purpose for which it is not utilised.

3.The company has not been declared as "wilful defaulter" by any bank or financial Institution or other lender

4.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

5. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 9 - Restated Statement of Deferred Tax Liabilities

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Deferred Tax Liability			
Opening balance	5.48	2.38	1.11
- On account of timing difference in depriciation allowable as per Income Tax Act and Companies Act	-4.26	-3.65	-1.27
Deferred Tax Asset			
-Deferred tax asset on account of timing difference on provision for gratui	.66	.55	-
TOTAL	**9.08**	**5.48**	**2.38**

Notes:

1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company

2. The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures 1 to 4

Annexure 10 - Restated Statement of Long Term Provisions

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Provision for Employee Benefits			
- Long term provision for gratuity	3.86	3.20	-
Total Long Term Provisions	**3.86**	**3.20**	**-**

Notes:

1. The disclosure of Employee Benefits as defined in the Accounting Standard 15 - ""Employee Benefits"", is given at Note No. A below:

2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Note A: Employee benefit plans

Defined contributuion plans

All amounts Rs. in Lacs unless otherwise stated

Particulars	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Employer's Contribution to Provident Fund	-	-	-
Employer's Contribution to Employee State Insurance Fund	-	-	-

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity

Gratuity liability at the end of the year is determined based on the acturial valuation.

Contribution to gratuity for employees are accrued on the basis of actuarial valuation and are also accordingly funded. The balance of Project Value Obligation (PVO) on gratuity over the funded amount is accrued as liability.

The following table sets out the funded status of the Gratuity benefit scheme and the amount recognized in the financial statements in terms of revised AS 15 on Retirement Benefits in respect of Defined Benefits Plans :

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For the year ended 31-Mar-26	For the year ended 31-Mar-25	For the year ended 31-Mar-24
Change in Projected Benefits Obligation (PBO)			
PBO at beginning of the year	3.21	-	-
Service cost	1.13	3.21	-
Interest cost	.21	-	-
Actuarial (gain)/loss	-.69	-	-
PBO at the end of the period	**3.86**	**3.21**	**-**

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at 31-Mar-26	As at 31-Mar-25	As at 31-Mar-24
Present value of defined benefit obligation	3.86	3.21	-

Fair Value on Plan Assets	-	-	-
Surplus/(Deficit)	-	-	-
Effect of asset ceiling if any	-	-	-
Net Assets/(Liability) recognized in balance sheet	**3.86**	**3.21**	**-**

Amount recognized in Statement of Profit and Los *All amounts Rs. in Lacs unless otherwise stated*

PARTICULARS	For the year ended 31-Mar-26	For the year ended 31-Mar-25	For the year ended 31-Mar-24
Current Service Cost	1.13	3.21	-
Net Interest expense on net defined benefit liability / (asset)	.21	-	-
Actuarial Changes (Gain)/Loss	-.69	-	-
Net Cost	**.65**	**3.21**	**-**

Principal assumptions used for the purpose of acturial valuation

PARTICULARS	For the year ended 31-Mar-26	For the year ended 31-Mar-25	For the year ended 31-Mar-24
Discount Rate (per annum)	6%	6%	0%
Salary escalation (per annum)	7%	7%	0%
Retirement Age	0%	0%	0%

Experience adjustment *All amounts Rs. in Lacs unless otherwise stated*

PARTICULARS	For the year ended 31-Mar-26	For the year ended 31-Mar-25	For the year ended 31-Mar-24
Defined Benefit Obligation	3.86	3.21	-
Plan Assets	-	-	-
Surplus/(Deficit)	**-3.86**	**-3.21**	**-**
Experience adjustments on plan liabilities	-0.64	-	-
Actuarial loss/(gain) due to change in financial assumptions	-0.06	-	-
Actuarial loss/(gain) due to change in demographic assumption	-	-	-
Experience adjustments on plan assets	-	-	-
Net actuarial loss/(gain) for the year	**-0.69**	**-**	**-**

Summary of membership data at the date of valuation and statistics base *All amounts Rs. in Lacs unless otherwise stated*

PARTICULARS	As at 31-Mar-26	As at 31-Mar-25	As at 31-Mar-24
Number of employees	11	11	-
Total monthly salary	3,99,500	3,31,500	-
Average Past Service (Years)	2.27	2.53	-
Average Future Service (yrs)	32.49	36.69	-
Average Age (Years)	37.51	33.31	-

Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 31-Mar-24
Discount rate	6.00%	6.00%	0.00%
Salary Growth Rate	7.00%	7.00%	0.00%

Current Liability (Expected payout in next year as per Schedule III of the Companies Act, 2013)

Particulars	As at 31-Mar-26	As at 31-Mar-25	As at 31-Mar-24
Current Liability (Short Term)	0.01	0.01	-
Non-Current Liability (Long Term)	3.85	3.20	-
Total Liability	**3.86**	**3.21**	**-**

Method of Valuation

Projected Unit Credit (PUC) Method: is used to assess the plan liabilities, including those related to death-inservice and incapacity benefits. Under this method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plans accrual formula and service as of the beginning or end of the year, but using final compensation, projected to the age at which the employee is assumed to exit. The plan liability is actuarial present value of the projected accrued benefits as on date of valuation.

Annexure 11 - Restated Statement of Short Term Borrowings

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Secured			
(a) Loans Repayable on Demand			
From Banks			
Cash Credit Limit	238.31	239.80	70.00
From Other Parties	-	-	-
(b) Loans from Directors and related parties	-	-	-
(c) Others (Secured)	9.09	8.12	7.26
Unsecured			
(a) Loans Repayable on Demand			
From Banks	-	-	-
Cash Credit Limit	-	-	61.27
From Other Parties	-	-	-
(b) Loans from Directors and related parties	-	-	-
(c) Others (Unsecured)	-	-	-
TOTAL	**247.39**	**247.92**	**138.53**

Note :

** For the purpose of preparation of the Restated Financial Statements included in this Offer Document, the borrowings have been reclassified into long-term and short-term portions based on the repayment schedule and current / non-current classification criteria in accordance with the applicable Accounting Standards and Schedule III to the Companies Act, 2013.
This reclassification is a matter of presentation only and does not result in any change in the total borrowings, profit after tax, net worth, or cash flows of the Company for any of the periods presented.

Notes:

1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

3.List of persons/entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

4. The terms and conditions and other information in respect of Secured Loans are mentioned in Annexure 8.

Annexure 12 - Restated Statement of Trade Payables

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
i) total outstanding dues of micro and small enterprises	693.49	445.74	401.40
ii) total outstanding dues of creditors other than micro and small enterprises	104.38	53.99	99.85
	797.88	**499.73**	**501.25**

Notes:

1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

3. The above balances of trade payables are subject to confirmation from respective vendor / supplier.

4. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, (MSMED Act, 2006) have been identified by the company on the basis of information available with it. The details are as follows:

Trade Payable Ageing Schedule as on March 31, 2026, March 2025 & March 2024

PARTICUL	Unbilled	Not Due	Less Than 45 Days	Less Than 1 year	1-2 years	More than 2 years	Total
31-Mar-26							
(i) MSME	-	-	693.49	-	-	-	693.49
(ii) Others	-	-	104.38	-	-	-	104.38
(iii) Disputed Dues - MSM	-	-	-	-	-	-	-
(iv) Disputed Dues - Oth	-	-	-	-	-	-	-
Total	**-**	**-**	**797.88**	**-**	**-**	**.**	**797.88**
31-Mar-25							
(i) MSME	-	-	445.74	-	-	-	445.74
(ii) Others	-	-	53.99	-	-	-	53.99
(iii) Disputed Dues - MSM	-	-	-	-	-	-	-
(iv) Disputed Dues - Oth	-	-	-	-	-	-	-
Total	**-**	**-**	**499.73**	**-**	**-**	**.**	**499.73**
31-Mar-24							
(i) MSME	-	-	401.40	-	-	-	401.40
(ii) Others	-	-	99.85	-	-	-	99.85
(iii) Disputed Dues - MSM	-	-	-	-	-	-	-
(iv) Disputed Dues - Oth	-	-	-	-	-	-	-
Total	**-**	**-**	**501.25**	**-**	**-**	**.**	**501.25**

Annexure 13 - Restated Statement of Other Current Liabilities

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Advance from Customers	75.73	39.95	-
Others Payables			
a) Audit Fees Payable	.35	.25	.15
b) Electricity Expenses Payable	.12	.26	-
c) GST Payable	-	-	.19
d) Professional Fees Payable	.35	.25	.20
e) Salary Payable	1.46	.67	-
f) TDS/TCS Payable	18.25	2.74	4.11
Total	**96.26**	**44.12**	**4.65**

Notes:-

1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 14 - Restated Statement of Short Term Provisions

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Provision For Taxation (net of advance tax and TDS)	115.32	99.45	40.51
Provision for Employee Benefits			
- Short term provision for gratuity	.1	.1	-
Total Short term Provisions	**115.33**	**99.45**	**40.51**

Notes:

1.The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexure 15 - Restatement of Property, Plant and Equipment, Intangible assets and Capital work in progress.

Property, Plant & Equipments & Intangible Assets

As at 31st March 2026

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	Gross Carrying Amount				Depreciation				Net Carrying Block	
	As at 01-Apr-25	Additions During the Year	Deletions During the Year	As at 31-Mar-26	As at 01-Apr-25	Additions During the Year	Deletions During the Year	As at 31-Mar-26	As at 31-Mar-26	As at 31-Mar-25
Property, Plant & Equipments										
Vehicles	73.49	-	-	73.49	12.12	8.73	-	20.85	52.64	61.37
Machinery	370.76	-	-	370.76	17.43	23.47	-	40.90	329.86	353.33
Office Equipments	1.96	1.44		3.40	.61	.34		.95	2.45	1.36
Computer and Laptops	1.82	-	-	1.82	.30	.35	-	.65	1.17	1.52
Weighing scales	.24	-	-	.24	.01	.05	-	.06	.18	.23
Total	**448.28**	**1.44**	**-**	**449.72**	**30.48**	**32.94**	**-**	**63.42**	**386.30**	**417.80**

Intangible Assets

PARTICULARS	Gross Carrying Amount				Amortisation				Net Carrying Amount	
	As on 01-Apr-25	Additions During the Year	Deletions During the Year	As on 31-Mar-26	As on 01-Apr-25	Additions During the Year	Deletions During the Year	As on 31-Mar-26	As on 31-Mar-26	As on 31-Mar-25
Trademarks	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

PARTICULARS	As on 01-Apr-25	Additions During the Year	Capitalised During the Year	As on 31-Mar-26
Capital Work in Progress (CWIP)	-	-	-	-
Total	**-**	**-**	**-**	**-**

As at 31st March 2025

Property, Plant & Equipments

PARTICULARS	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As on 01-Apr-24	Additions During the Year	Deletions During the Year	As on 31-Mar-25	As on 01-Apr-24	Additions During the Year	Deletions During the Year	As on 31-Mar-25	As on 31-Mar-25	As on 31-Mar-24
Property, Plant & Equipments										
Vehicles	64.22	9.27	-	73.49	4.39	7.74	-	12.12	61.37	59.84
Machinery	66.34	304.42	-	370.76	6.74	10.69	-	17.43	353.33	59.60
Office Equipments	1.96	-		1.96	.29	.32	-	.61	1.36	1.68
Computer and Laptops		1.82	-	1.82	-	.30	-	.30	1.52	-
Weighing scales		.24	-	.24		.01	-	.01	.23	-
Total	**132.53**	**315.75**	**-**	**448.28**	**11.41**	**19.07**	**-**	**30.48**	**417.80**	**121.12**

Intangible Assets

PARTICULARS	Gross Carrying Amount				Amortisation				Net Carrying Block	
	As on 01-Apr-24	Additions During the Year	Deletions During the Year	As on 31-Mar-25	As on 01-Apr-24	Additions During the Year	Deletions During the Year	As on 31-Mar-25	As on 31-Mar-25	As on 31-Mar-24
Trademarks	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Capital Work in Progress

PARTICULARS	As on 01-Apr-24	Additions During the Year	Capitalised During the Year	As on 31-Mar-25
Capital Work in Progress (CWIP)	-	-	-	-
Total	-	-	-	-

As at 31st March 2024

Property, Plant & Equipments

PARTICULARS	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As on 01-Apr-23	Additions During the Year	Deletions During the Year	As on 31-Mar-24	As on 01-Apr-23	Additions During the Year	Deletions During the Year	As on 31-Mar-24	As on 31-Mar-24	As on 31-Mar-23
Property, Plant & Equipments										
Vehicles	34.00	30.22	-	64.22	-	4.39	-	4.39	59.84	34.00
Plant and Machinery	63.51	2.83	-	66.34	2.85	3.89	-	6.74	59.60	60.66
Office Equipments	1.49	.47	-	1.96	-	.29	-	.29	1.68	1.49
	99.00	**33.53**	-	**132.53**	**2.85**	**8.56**	-	**11.41**	**121.12**	**96.15**

Intangible Assets

PARTICULARS	Gross Block				Accumulated Amortisation				Net Block	
	As on 01-Apr-23	Additions During the Year	Deletions During the Year	As on 31-Mar-24	As on 01-Apr-23	Additions During the Year	Deletions During the Year	As on 31-Mar-24	As on 31-Mar-24	As on 31-Mar-23
Trade Marks	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

Capital Work in Progress

PARTICULARS	As on 01-Apr-23	Additions During the Year	Capitalised During the Year	As on 31-Mar-24
Capital Work in Progress (CWIP)	-	-	-	-
Total	-	-	-	-

Note

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexure 16 - Restated Statement of Other Non Current Assets

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Security Deposits	.10	.10	-
Total	.10	.10	-

1. For the purpose of explaining the Company's risk management process, the assets represent securities maintained with NSDL in connection with the proposed Initial Public Offer (IPO) and the same have been presented under Non-current Assets in the Restated Financial Statements, considering the nature and purpose for which such securities are held.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 17 - Restated Statement of Inventories

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Raw Materials	106.62	323.67	211.44
Work In Progress	63.10	51.65	30.56
Finished goods	1362.97	363.94	30.28
Consumable, Stores and packing materials	4.90	1.19	.53
Stock in Trade	-	-	30.00
Total	**1537.58**	**740.45**	**302.81**

Notes:

1. Entire inventory of the Company has been hypothecated as security against certain bank borrowings of the Company as at reporting dates. For more details of lien/charge against inventories refer Annexure 8
2. These inventories are valued at lower of cost or net realisable value
3. Inventory has been physically verified by the management of the Company at the end of respective period/year.
4. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
5. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 18 - Restated Statement of Trade Receviables

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
Unsecured, Considered Good	1308.73	861.35	602.47
Total	**1308.73**	**861.35**	**602.47**
Unsecured, unless otherwise stated			
Undisputed trade receivables - Considered Good			
- Due Unbilled	-	-	-
- Due Not Due	-	-	-
- Due less than six months	1169.42	630.39	564.34
- Due six months to one year	139.31	229.18	36.36
- Due One-Two Years	-	-	.50
- Due Two -Three Years	-	.50	1.27
- More than Three years	-	1.27	-
Undisputed trade receivables- Considered Doubtful	-	-	-
Disputed Trade Receivables			
- Due six months to one Year	-	-	-
-1-2 Years	-	-	
-2-3 Years	-	-	
- More than Three years	-	-	-
Disputed trade receivables- Considered Doubtful	-	-	-

Amount due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.	NIL	NIL	8.75*
Less: Provision for Doubtful debts**	-	-	-
	1308.73	**861.35**	**602.47**

* An amount of Rs.8.75 lakhs is receivable from a proprietary concern of a Director, arising in the ordinary course of business towards sale of goods. The said balance is outstanding as at the reporting date and does not represent a loan or advance in the nature of a loan. The transaction is at arm-length price.

**Based on management's assessment, the Company does not consider it necessary to recognise any provision for doubtful trade receivables as at the reporting date. The trade receivables are considered recoverable, and there is no material credit risk identified that would warrant the creation of a provision.

Notes
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 19 - Restated Statement of Cash and Cash Equivalents

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	**As at**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
i. Cash and cash equivalents			
- Cash in Hand	1.37	4.49	6.28
Balance With Banks			
- In Current Accounts	30.98	48.96	2.00
Cheques on hand	-	8.53	-
ii. Other bank balances			
- In deposit accounts with maturity of more than 3 less than 12 months*	-	-	-
	32.35	**61.97**	**8.28**

Notes
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 20 - Restated Statement of Short Term Loans and Advances

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	**As at**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
(Unsecured considered good, unless otherwise stated)			
(a) Advance to Suppliers	67.70	5.20	-
(b) Balance with Govt Authorities	-	-	-
(c) Loans and advances given	-	-	10.84
	67.70	**5.20**	**10.84**
Amount due by directors or other officers of the company or any of them either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member	NIL	NIL	10.84*
*Jasdil Singh (Director of the Company)	-	-	8.84
*Rupinder Kaur (Shareholder of the Company and Director's)	-	-	2.00
Total	**67.70**	**5.20**	**10.84**

Notes:

1. There are no loans and advances due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

2. There are Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person in FY 2023-24, that are: (a) repayable on demand or (b) without specifying any terms or period of repayment, therefore,

* An amount of Rs.8.84 lakhs received from Jasdil Singh (Director of the Company) and An amount of Rs. 2.00 lakhs received from Rupinder Kaur (Immediatly Relative of Director's) loan on received on demand basis.

3. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 21 - Restated Statement of Other Current Assets

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at		
	31-Mar-26	31-Mar-25	31-Mar-24
(a) Prepaid Expenses	.78	1.09	.12
(b) Accrued Interest	-	-	-
(c) Balance with Revenue Authorities	2.34	11.57	-
	3.12	**12.65**	**.12**

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 22 - Restated Statement of Revenue from Operations

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Net Sales			
(a) Sales of Products (refer note (i) below)	8069.34	7722.34	3930.12
(b) Sales of Services (refer note (ii) below)	-	-	-
(c) Other Operating Revenues	-	-	-
Total	**8069.34**	**7722.34**	**3930.12**
Less: Duties and taxes	1230.92	1177.98	599.51
Total	**6838.42**	**6544.35**	**3330.61**
Total	**6838.42**	**6544.35**	**3330.61**

Note (i) and (ii)

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
(i) Sale of Products Comprises :			
Manufactured Goods - Power Press Machines and machine parts	8069.34	7128.27	3670.29
	-	-	-
Total - Sale of manufactured goods	8069.34	7128.27	3670.29
Traded Goods	-	594.07	259.83
Total - Sale of traded goods	-	594.07	259.83
Total - Sale of Products	8069.34	7722.34	3930.12
Total	**8069.34**	**7722.34**	**3930.12**

Details of Manufacturing Products

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Power Press Machines	4818.82	5416.23	3080.42
Machinery Parts	2019.60	524.6	
Total	**6838.42**	**5940.91**	**3080.42**

Details of Trading Products			
PARTICULARS	**For the year ended**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
Machinery Parts	-	603.44	250.19
Total	**-**	**603.44**	**250.19**
Geographical disaggregation			
PARTICULARS	**For the year ended**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
Domestic	6838.42	6544.35	3330.61
International	-	-	-
Total	**6838.42**	**6544.35**	**3330.61**

Notes:

1. Value of Revenue from Operations, does not include Goods & Service Tax and other taxes.
2. The figures disclosed above are based on the restated statement of profit and loss of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 23 - Restated Statement of Other Income

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	**For the year ended**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
Interest Income (Refer Note (i) below)	-	-	.46
Net gain on foreign currency transactions and translation	-	-	-
Other Non-operating Income (Refer Note (ii) below)	.2	.7	1.11
Total	**.2**	**.7**	**1.57**

Note (i)

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	**For the year ended**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
Interest income comprises:			
-Interest from Banks on	-	-	-
Deposits	-	-	.46
-Interest on Income Tax Refund	-	-	-
Total	**-**	**-**	**.46**

Note (ii)

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	**For the year ended**		
	31-Mar-26	**31-Mar-25**	**31-Mar-24**
Other Non-operating Income comprises:			
Miscellaneous Income *(Rebate and Discounts)*	.2	.7	1.11
Total	**.2**	**.7**	**1.11**

Notes:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 24 - Restated Statement of Cost of Material Consumed

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Opening Stock			
-Raw Materials - Iron Plates, Casting,MS Round and Scrap Materials	323.67	211.44	2.23
-Consumables, stores and spares	1.19	.53	2.77
Total Opening Stock	324.86	211.97	5.00
Purchases - *Iron Plates,Casting,MS Round and Scrap materials*	6077.09	5662.11	3069.37
Consumables, stores and spares consumed	414.19	88.48	2.77
Closing Stock			
Total Closing Stock	111.52	324.86	211.97
-Raw Materials - Iron Plates, Casting,MS Round and Scrap Materials	106.62	323.67	211.44
-Consumables, stores and spares	4.90	1.19	.53
Total	**6704.62**	**5637.70**	**2865.17**

Details of Principle items of Raw Materials Purchased

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Iron plates	2155.64	1789.45	987.46
Casting	-	2746.48	1698.23
Scrap	3051.71	379.47	.
MS Round	869.75	746.71	383.68
Coal	404.02	81.34	.
Welding rods	7.54	4.87	2.03
Gases	2.63	2.27	.75
Total	**6491.28**	**5750.58**	**3072.14**

Details of Principle items of Raw Materials Consumed

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Iron plates	2292.69	1789.45	888.46
Casting	.	2728.25	1652.24
Scrap	3031.71	379.47	.
MS Round	969.75	652.71	319.46
Coal	401.40	80.84	
Welding rods	6.54	4.74	4.53
Gases	2.54	2.24	.48
Total	**6704.62**	**5637.70**	**2865.17**

Geographical classification of Raw material procured

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Domestic	6704.62	5637.70	2865.17
International	-	-	-
Total	**6704.62**	**5637.70**	**2865.17**

Notes:

1. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 25 - Restated Statement of Purchase of Stock in Trade

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Purchases of Stock-In-Trade -*Iron Plates & Casting*	-	507.10	230.50
Total	**-**	**507.10**	**230.50**

Notes:

1. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.

2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 26 - Restated Statement of Changes in Finished Good, Stock in Trade and Work in Progress

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Opening Stock			
Finished Goods	363.94	30.28	10.25
Stock in Trade	-	30.00	4.92
Work in progress	51.65	30.56	9.00
Less: Closing Stock			
Finished Goods	1362.97	363.94	30.28
Work in progress	63.10	51.65	30.56
Stock in Trade	-	-	30.00
Total	**-1010.48**	**-324.74**	**-66.68**

Notes:

1. Inventories are physically verified by the management on yearly basis.
2. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 27 - Restated Statement of Employee Benefit Expenses

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
Director's Remuneration	19.20	14.40	7.20
Salary & Wages	28.92	26.03	9.72
Contribution to Provident and Other Funds	-	-	-
Provision for Gratuity	.65	3.21	-
Staff Welfare	.76	1.02	.8
Total	**49.52**	**44.66**	**17.00**

Notes:

1. Refer Note - A of Annexure - 10 for details and disclosure related to Gratuity and other retirement benefits, if any.
2. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 28 - Restated Statement of Finance Cost

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
(a) Interest Expense on:			
(i) Borrowings from Banks and Financial Institutions	26.80	16.27	11.00
(ii) Others			
Bank Charges	3.75	2.76	.40
(b) Net gain/loss on Foreign Currency transactions and translation (considered as Finance cost)	-	-	-
Total	**30.55**	**19.03**	**11.40**

Notes:

1. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 29 - Restated Statement of Other Expense

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For the year ended		
	31-Mar-26	31-Mar-25	31-Mar-24
a) Manufacturing Expenses			
Power & Fuel	2.64	2.07	.78
Daily Wages Expenses	10.23	3.43	.90
b) Administrative & Selling Expenses			
Auditor's Remuneration			
- Audit Fees	.30	.20	.10
- Other Matters	.5	.5	.5
Printing & Stationery	.18	.10	.20
Commission	.24	-	-
Rent, Rates & Taxes	.93	8.06	4.60
Telephone Expenses	.11	.9	.10
Professional Charges	6.22	5.84	4.35
Repair & Maintenance (Others)	1.56	1.19	.43
Travelling & Conveyance	.80	1.27	.87
Freight & Cartage Outwards	2.20	1.03	.36
Insurance	1.29	.81	.45
CSR Expenses	3.50	-	-
Interest on Statutory Payments	6.50	8.39	.18
Office Expenses	.37	.23	.24
Software Expenses	.28	1.23	.29
Vehicle Expenses	1.55	1.83	3.40
Total	**38.95**	**35.83**	**17.28**

Notes:

1. The figures disclosed above are based on the restated summary statement of profit and loss of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4

Annexure 30 - Related Party Disclosures

The related parties and transactions with them as identified by the management are given below :-

a) The Company had following transactions with the related parties as per the accounting standard during the reporting period:

All amounts Rs. in Lacs unless otherwise stated

Name of the related person	Nature of Payment	For the year ended		
		31-Mar-26	31-Mar-25	31-Mar-24
Jaskaran Singh	Director Remuneration	6.40	7.20	3.60
Jasdil Singh	Director Remuneration	9.60	7.20	3.60
Jagdev Singh	Director Remuneration	3.20	-	-
Rupinder Kaur	Loan Given	-	-	2.00
Rupinder Kaur	Loan Repaid	-	2.00	-
Jasdil Singh	Loan Received	-	183.84	-
Jasdil Singh	Loan Given	-		8.84
Jasdil Singh	Loan Repaid	6.93	2.07	-
Jaskaran Singh	Loan Received	-	184.80	2.35
Jaskaran Singh	Loan Repaid	9.00	10.05	2.10
Micro Engineers	Purchase		227.20	
Micro Engineers	Sales	-	.	16.60

b)

Name of related parties and description of relationship	31-Mar-26	31-Mar-25	31-Mar-24
1. Holding Co./Subsidiary Co./Fellow Subsidiary Co.	NA	NA	NA
2. Key Management Personal:	Jasdil Singh (Director-Held 21,16,000 Shares as on Date)	Jasdil Singh (Director-Held 4,00,000 Shares as on Date)	Jasdil Singh (Director-Held 4,00,000 Shares as on Date)
	Jagdev Singh (Director-Held 20,74,000 Shares as on Date)	Jaskaran Singh (Director-Held 4,00,000 Shares as on Date)	Jaskaran Singh (Director-Held 4,00,000 Shares as on Date)
3. Relatives of Key Management Personal:			Rupinder Kaur (Sister of Director Jasdil Singh)
4. Enterprises over which key Management Personal (KMP) is able to exercise significant influence or control :	M/s Micro Engineers (Sole Proprietorship of Mr. Jagdev Singh who is Managing Director) M/s Bhagya Infra Projects Limited (Mr. Jasdil Singh Director of th is company)	M/s Micro Engineers (Sole Proprietorship of Mr. Jagdev Singh who is Father of Director)	M/s Micro Engineers (Sole Proprietorship of Mr. Jagdev Singh who is Father of Director)

c) **The following were the closing balances with related parties**

Name	Head	Relation	As on 31-Mar-26	As on 31-Mar-25	As on 31-Mar-24
Jasdil Singh	Unsecured Loans Given	Director	-	-	8.84
Rupinder Kaur		Immediate relative of Director	-	-	2.00
Jasdil Singh	Unsecured Loans Taken	Director*	-	172.93	-
Jagdev Singh		Director	-	-	-
Jaskaran Singh		Director (cession of 12.12.2025)and immediate relative of Director*	-	175.00	.25

Micro Engineers (Proprietor is Managing Director)	Purchase of goods	Enterprises over which key Management Personal (KMP) is able to exercise significant influence or control		227.20	
Micro Engineers (Proprietor is Managing Director)	Sale of Goods	Enterprises over which key Management Personal (KMP) is able to exercise significant influence or control	-	-	16.60

** All related party transactions entered into by the Company during the periods presented in the Restated Financial Statements have been carried out on an arm's length basis and in the ordinary course of business, considering prevailing market terms and conditions. The terms of such transactions are not prejudicial to the interests of the Company. Further, there are no amounts written off or written back in the period in respect of debts due from or to related parties. Further, there are no provisions for doubtful debts due from such parties at the reporting date.

*The company has issued 4,00,000 fully paid up equity shares of face value of Rs 10/- each for right issue on premium for Rs 73/- each share in lieu of conversion of director loan on December 31,2025

Annexure 31 - Micro, Small & Medium Enterprises

The details of amount outstanding to Micro, Small & Medium Enterprises under the Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act), is maintained by the company. Details of the same are as under:

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	As at 31-Mar-26	As at 31-Mar-25	As at 31-Mar-24
Principal amount and interest due thereon remianing unpaid to any supplier as at end of each accounting year/period	693.49	445.74	401.40
Amount of interest paid by buyer in terms of sec 16 of Micro, Small and Mediun Emterprises Development Act, 2006 along with amount of payment made to supplier beyond appointed day during each accounting year	-	-	-
The amount of interest due and payable for period of delay in making payment but without adding the interest specified under Micro, Small and Mediun Emterprises Development Act, 2006	-	-	-
Amount of interest accrued and remianing unpaid at end of each accounting year	-	-	-
Amount of further interest remaining due and payable even in succeeding years, until such date, when the interest dues as above are actually paid to small enterprises for purpose of disallowance as a deductible expense under Sec 23 of Micro, Small and Medium Enterprises Act 2006	-	-	-

Annexure 32 - Other Statutory Information

1.The company does not have Benami Property, where any proceeding has been initiated or pending against the company for holding any Benami Property.

2.The company do not have any transactions with struck off company.

3.The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

4.The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

5.The Company has not advanced or loaned or invested funds to any other person(s) or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like or on behalf of the Ultimate Beneficiaries.

6.The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like or on behalf of the Ultimate Beneficiaries

7.The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the assessments under the Income -tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act,1961

8.The company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

9. The Company has granted interest free loans or advances in the nature of loans to Promoters, Directors, Key Managerial Personnel and their related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, which are part of their appointment terms and are:

a) repayable on demand; or

b) with specifying any terms or period of repayment against agreement

10.Compliance with number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017 is not applicable as there is no subsidiary.

11. The dislcosure related to title deeds of the immovable properties is not applicable as the Company did not have any properties as at 31st March 2026, 31st March 2025 and 31st March 2024

12.The Company has not revalued its Property, Plant and Equipment during the year and during preceding years

13. The disclsoure related to provisions of Corporate Social Responsibility as per section 135 of the Companies act, 2013 is as follows:

A. Details of CSR expenditure u/s 135 of Companies Act: *All amounts Rs. in Lacs unless otherwise stated*

Particulars	Year ended 31-Mar-26	Year ended 31-Mar-25
Amount required to be spent during the year	**4.88**	-
Amount of expenditure incurred	**3.50**	-
Unused at the end of the year	**1.38**	-
Total of previous year Unused	**-**	-
Reason for Unused*	**-**	-
Total Spent as per the requirement	**-**	**-**

B. Nature of CSR Activities:

· Healthcare	3.50
· Skill Development	
· Rural Transformation	

* The Company could not spend the entire CSR obligation during the year due to delay in execution of the approved CSR activities before the close of the financial year. The Company is committed to spending the unspent amount in compliance with the provisions of Section 135 of the Companies Act, 2013.

Annexure 33 - Material Grouping

Appropriate adjustments have been made in the Restated Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

BHAGYA MACHINE TOOLS LIMITED
(Formerly Known as Bhagya Steels Limited)

Annexure 34 - Restated Contingent Liabilities & Commitments:

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	Year ended 31-Mar-26	Year ended 31-Mar-25	Year ended 31-Mar-24
Contingent Liabilities			
(a) Claims against the company not acknowledged as debt	-	-	-
(b) Guarantees excluding financial guarantees	-	-	-
(c) Other money for which the company is contingently liable (income tax)		31.18	
Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-	-
(c) Other commitments	-	-	-
Total	-	31.18	-

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The tax liability has already been duly discharged by the Company; however, the corresponding payment has not yet been updated/reflected on the concerned portal.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4.

Annexure 35 - Value Of Import On CIF Basis:

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	Year ended 31-Mar-26	Year ended 31-Mar-25	Year ended 31-Mar-24
Traded Goods	-	-	-
Raw Material	-	-	-
Components	-	-	-
Spare and Capital Goods	-	-	-
Forex Expenditure	-	-	-

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4.

Annexure 36 - FOB Value Of Exports

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	Year ended 31-Mar-26	Year ended 31-Mar-25	Year ended 31-Mar-24
Traded Goods	-	-	-
Raw Material	-	-	-
Components	-	-	-
Spare and Capital Goods	-	-	-
Forex Expenditure	-	-	-

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4.

Annexure 37 - Restated Summary Of Mandatory Accounting Ratios & EPS

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	Year ended 31-Mar-26	Year ended 31-Mar-25	Year ended 31-Mar-24
Net Worth (A)	2,026.31	828.31	326.59
Restated Profit after Tax	821.00	501.72	206.20
Profit after Tax available to Equity Shareholders (B)	821.00	501.72	206.20
Number of Equity Share outstanding as on reporting date [C]	48,50,000	10,00,000	10,00,000
Weighted Average No of Equity shares Outstanding for the reporting period [D]	41,81,233	40,00,000	40,00,000
Restated Weighted Average No of Equity Shares (for EPS due to bonus issue and sub-division) [E]	41,81,233	40,00,000	40,00,000
Face Value per Share (in Rs.)	10.00	10.00	10.00
Restated Basic and Diluted Earnings Per Share (Rs.) (B/E)	19.64	12.54	5.15
Return on Net worth (%) (B/A)	41%	61%	63%
Net asset value per share (A/C)	41.78	20.71	8.16
Adjusted Net asset value per share based on Weighted average number of share (Face Value Rs. 10/- per share) (A/D)	48.46	20.71	8.16
Adjusted Net Asset Value per share based on Restated Weighted Average No of Equity Shares (Face Value Rs. 10/- per share) (A/E)	48.46	20.71	8.16
Earnings Before Interest and Taxes, Depreciation & Amortization and other Income [EBITDA]	1,055.80	643.81	267.34

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 1 to 4.

BHAGYA MACHINE TOOLS LIMITED
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Annexure 38 - Additional Regulatory Information:

i) Ratio Analysis

Ratio	Numerator	Denominator	As at 31-Mar-26	As at 31-Mar-25	Variation (%)	Reason for variation more than 25%
Current Ratio	Current Assets	Current Liabilities	2.35	1.89	24.37%	-
Debt/ equity ratio	Debt	Equity	0.14	0.75	-81.04%	Repayment of existing debts has resulted in the variance.
Return on Equity	PAT	Equity shareholders fund	0.41	0.61	-33.11%	Increase in quity base has resulted in the variance.
Debt service coverage ratio	EBIDTA	Finance cost +Principal repayments	3.57	3.40	4.97%	Increase in EBITDA on account of improved performance has resulted in the variance.
Inventory turnover ratio	COGS	Average inventory	5.00	11.16	-55.19%	Increase in consumption has resulted in the variance.
Trade Receivables Turnover Ratio	Sales	Average debtors	6.30	8.94	-29.51%	Increase in receivables has resulted in the variance.
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	10.00	12.50	-19.98%	Increase in payables has resulted in the variance.
Net Capital Turnover Ratio	Revenue from operations	Working capital	4.04	8.28	-51.20%	Increase in working capital has resulted in the variance.
Net profit ratio	Net Profit After tax	Net sales	0.12	0.08	56.60%	Increase in profits has resulted in the variance.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	0.44	0.43	2.43%	-
Return on Investment	Return/ income/ PAT	Total Assets	0.25	0.24	2.99%	-

Ratio	Numerator	Denominator	As at 31-Mar-25	As at 31-Mar-24	Variation (%)	Reason for variation more than 25%
Current Ratio	Current Assets	Current Liabilities	1.89	1.35	39.79%	Increase in working capital has resulted in the variance.
Debt/ equity ratio	Debt	Equity	0.75	0.52	43.38%	Increase in profits has resulted in the variance.
Return on Equity	PAT	Equity shareholders fund	0.61	0.63	-4.06%	-
Debt service coverage ratio	EBIDTA	Interest +Principal repayments	3.40	7.80	-56.38%	Increase in debt has resulted in variance.
Inventory turnover ratio	COGS	Average inventory	11.16	18.25	-38.86%	Increase in consumption has resulted in the variance.
Trade Receivables Turnover Ratio	Sales	Average debtors	8.94	6.77	32.10%	Increase in receivables has resulted in the variance.
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	12.50	7.69	62.60%	Increase in payables has resulted in the variance.
Net Capital Turnover Ratio	Revenue from operations	Working capital	8.28	13.90	-40.44%	Increase in working capital has resulted in variance.
Net profit ratio	Net Profit After tax	Net sales	0.08	0.06	23.83%	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	0.43	0.52	-17.62%	-
Return on Investment	Return/ income/ PAT	Total Assets	0.24	0.20	21.18%	-

Ratio	Numerator	Denominator	As at 31-Mar-24	As at 31-Mar-23	Variation (%)	Reason for variation more than 25%
Current Ratio	Current Assets	Current Liabilities	1.35	1.13	19.45%	-
Debt/ equity ratio	Debt	Equity	0.52	0.23	126.69%	Increase in debt has resulted in variance.
Return on Equity	PAT	Equity shareholders fund	0.63	0.63	-0.02%	-
Debt service coverage ratio	EBIDTA	Interest +Principal repayments	7.80	1.42	449.05%	Increase in debt has resulted in variance.
Inventory turnover ratio	COGS	Average inventory	18.25	80.43	-77.31%	Increase in consumption has resulted in the variance.
Trade Receivables Turnover Ratio	Sales	Average debtors	6.77	5.52	22.56%	-
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	7.69	4.51	70.67%	Increase in payables has resulted in the variance.
Net Capital Turnover Ratio	Revenue from operations	Working capital	13.90	54.94	-74.70%	Increase in working capital has resulted in variance.
Net profit ratio	Net Profit After tax	Net sales	0.06	0.01	519.10%	Increase in profits has resulted in the variance.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	0.52	0.14	274.27%	Increase in profits has resulted in the variance.
Return on Investment	Return/ income/ PAT	Total Assets	0.20	0.20	0.04%	-

Annexure 39 - Foreign Currency Exposure

Detail of foreign currency exposure as on the reporting date that has not been hedged by a derivative instrument or otherwise is given below.

PARTICULARS	As at 31-Mar-2026	As at 31-Mar-2025	As at 31-Mar-2024
Against Export (Debtors)			
-USD	-	-	-
-Euro	-	-	-
Against advance for import of machinery			
-USD	-	-	-
-Euro	-	-	-
Against Imports (Creditors)			
-USD	-	-	-
-Euro	-	-	-
Against Imports (Creditors for machinery)			
-USD	-	-	-
-Euro	-	-	-

Annexure 40 : Statement of Taxation

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	For Year Ended 31-Mar-26	For Year Ended 31-Mar-25	For Year Ended 31-Mar-24
Profit before tax as per books	**992.34**	**605.78**	**248.95**
Income Tax rate	17.16%	17.16%	17.16%
MAT Rate	NA	NA	NA
Tax at Notional Rates on Profits	**170.29**	**103.95**	**42.72**
Adjustments			
Expenses Disallowed			
- Donation	-	-	-
- Other disallowances (Gratuity Provision)	.65	-	-
- CSR Donation	3.50	-	-
- intereston income tax	5.86	3.83	.18
Timing Difference			
Depriciation as per Companies Act, 2013	32.94	19.07	8.56
Depriciation as per Income Tax Act, 1961	57.77	40.36	15.96
Gratuity Expense	-	-	-
Set off From B/F Losses	-	-	-
Taxable Income as per Normal Tax	**977.51**	**588.33**	**241.73**
Income Tax Liability	**167.74**	**100.96**	**41.48**
Tax Paid As per Normal/ MAT	**Normal**	**Normal**	**Normal**

BHAGYA MACHINE TOOLS LIMITED
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Annexure 41 - Audit Trail

Pursuant to the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended by the Companies (Accounts) Amendment Rules 2021, the Company is in compliance with the provisions which require that the Company shall use only such accounting software, which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made.

Annexure 42 - Statement of Capitalisation

All amounts Rs. in Lacs unless otherwise stated

PARTICULARS	Pre offer	Post issue
Debt:		
Long-term Borrowings	39.79	-
Short-term Borrowings	247.39	-
Total Debt (A)	**287.18**	**-**
Shareholders Fund:		-
Share Capital	485.00	-
Reserves and Surplus	1541.31	-
Total Shareholders Fund (B)	**2026.31**	-
Total Debt / Shareholders Fund (A/B)	**0.14**	-

Annexure 43

Previous year's figures have been regrouped / rearranged wherever necessary to conform to this years' classification.

For and on behalf of
Bhagya Machine Tools Limited

In terms of our report attached
For Meenakshi Gujral & Co

Jagdev Singh
Managing Director
DIN - 09428375

Jasdil Singh
Whole Time Director
DIN -09578743

Meenakshi Gujral
Partner
Membership No. 092171
Firm registration No 015133N
UDIN: 26092171BUVLFC1943
PLACE: DELHI
DATED: 08-08-2026

Rajesh Singla
C.F.O
Pan: CNOPS7915R

Tirlok Mohan
Company Secretary
M. No. 70713

OTHER FINANCIAL INFORMATION

(In ₹ Lakhs)

Particulars	For period ended		
	31 March 2026	31 March 2025	31 March 2024
EBITDA	1,055.80	643.81	267.34
Earnings Per Share (EPS):			
Basic	19.64	12.54	5.15
Diluted	19.64	12.54	5.15
Return on Net Worth	40.52%	60.57%	63.14%
Net Asset Value per share	41.78	20.71	8.16

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STATEMENT OF FINANCIAL INDEBTEDNESS

To,
The Board of Directors
Bhagya Machine Tools Limited (Formerly Known as Bhagya Steels Limited) **VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Punjab – 141206**

SKI Capital Services Limited
718, Dr, Joshi Rd, Block A, Karol Bagh, Delhi, 110005
Dear Sir(s),

Below is the summary of loans outstanding as at March 31, 2026, in the books of accounts of Bhagya Machine Tools Limited (formerly known as Bhagya Steels Limited) on a standalone basis:

Name of the Bank	Date of initiation	Purpose	ROI	Security offered	Sanction ed amount (in Lakhs)	Loan type	Closing balance as on 31-March-26
Axis Bank Limited	09-01-2026	Working Capital	8.75%	Hadbast no 254, VPO Paddi, near Radhe Sham Pataka Factory, Ludhiana, with personal guarantee of directors	240.00	Secured	238.31
HDFC Bank Limited	20-01-2023	Vehicle purchase	10.51%	Ford Endeavour vehicle	23.07	Secured	10.29
Yes Bank Limited	22-02-2024	Vehicle purchase	12.1%	Mercedes vehicle	20.00	Secured	13.07
Godrej Finance Limited	31-07-2025	Working Capital	18.00%	Unsecured Loan	25.50	Unsecured	25.50

Below is the summary of unsecured loans from Promoters/Directors outstanding as on 31st March, 2026 as per books of accounts:

Name of the Bank	Date of initiation	Purpose	ROI	Security offered	Sanctioned amount (in Lakhs)	Loan type	Closing balance as on 31-Mar-26
NA	NA	NA	NA	NA	NA	NA	NA

Below is the summary of loans against which Promoters had given personal guarantee existing as at 31st, March 2026 in the books of accounts of Bhagya Machine Tools Limited:

Name of Lender	Sanction Date	Loan Number	Nature of the Facility	Amount Sanctioned (₹ In Lakhs)	Amount outstanding as on 31--03-2026 (₹ In Lakhs)
Axis Bank Limited	09-01-2026	60300041138	Secured	240.00	238.31

Yours sincerely,
For Manoj K Goel & Associates,
Chartered Accountants
Firm Registration No: 014585N
CA MUNISH K BHATIA
Partner
Membership No: 503663
Date: 08-08-2026
Place: Ludhiana
UDIN: 26503663CFOPEJ1118

CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Financial Statements as at March 31, 2026 and as adjusted for the issue. This table should be read in conjunction with "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Restated Financial Information***" and "***Risk Factors***" on pages 169, 165 and 22, respectively of this Draft Red Herring Prospectus.

(₹ in Lakhs)

Sr. No	Particulars	Pre-issue	Post-Issue
	Debts		
A	Long Term Debt*	39.79	[●]
B	Short Term Debt*	247.39	[●]
C	**Total Debt**	**287.18**	[●]
	Equity Shareholders Funds		[●]
	Equity Share Capital	485.00	
	Reserves and Surplus	1,541.31	
D	**Total Equity**	**2,026.31**	
	Long Term Debt/ Equity Ratio (A/D)	0.02	
	Total Debt/ Equity Ratio (C/D)	0.14	
Notes:			
* The amounts are considered as outstanding as on 31.03.2026			
Post issue figures are not available since issue price is not yet finalized			

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MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our financial condition and results of operations for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section titled "Restated Financial Information" on page 165 of this Draft Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 22 of this Draft Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the chapter titled "Forward-Looking Statements" of this Draft Red Herring Prospectus. Unless otherwise stated, the Restated Financial Information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Bhagya Machine Tools Limited. The financial information included herein is based on our Restated Standalone Financial Statements for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024 included in this Draft Red Herring Prospectus beginning on page 165 of this Draft Red Herring Prospectus.

Business Overview

Founded on December 08, 2021 as "Bhagya Steels Private Limited", our Company commenced business operations in February 2022 at Ludhiana, Punjab. Pursuant to a special resolution dated July 24, 2024, it was converted into a public limited company and renamed "Bhagya Steels Limited", and a fresh Certificate of Incorporation was issued on September 05, 2024. The name was subsequently changed to "Bhagya Machine Tools Limited" vide a fresh Certificate of Incorporation dated November 27, 2025 issued by the Registrar of Companies, Chandigarh.

We are engaged in the design, engineering, manufacture and sale of power press machines and of machinery parts and castings used in their production, maintenance, repair and replacement. Our customers are principally in metal fabrication and general engineering. Our operations are concentrated in Punjab, from which we derived 76.88% of our revenue from operations in Fiscal 2026, with the balance across Maharashtra, Uttar Pradesh, Gujarat and Jammu and Kashmir. All of our sales are domestic; we have made no exports and no imports in any of Fiscals 2026, 2025 and 2024.

Our revenue from operations is derived from two product lines. Power press machines contributed ₹4,818.82 lakhs (70.47%) in Fiscal 2026, ₹5,416.23 lakhs (82.76%) in Fiscal 2025 and ₹2,558.00 lakhs (76.80%) in Fiscal 2024. Machinery parts, including castings, contributed ₹2,019.60 lakhs (29.53%), ₹1,128.11 lakhs (17.24%) and ₹772.61 lakhs (23.20%) over the same years. Machinery parts were partly traded in Fiscals 2025 and 2024, to the extent of ₹603.44 lakhs and ₹250.19 lakhs respectively; we discontinued trading activity in Fiscal 2026, and the whole of our revenue in that year was derived from goods manufactured by us. We also undertake the refurbishment, restoration and resale of used power press machines, revenue from which is not separately identified.

Our operations are supported by a single integrated manufacturing facility at VPO Paddi, Hadbast No. 254, Sub-Tehsil Dehlon, Ludhiana, on land owned by our Company, covering engineering, foundry, fabrication, machining, assembly, refurbishment, testing, painting and dispatch. We have separately taken on rent 4,111 square yards at Hadbast No. 256 in the same village, on which we propose to set up an Induction Melting Furnace. We follow a make-to-order model, under which orders are executed from customer specifications through production planning, manufacturing, factory acceptance testing and delivery.

What we make. We manufacture power press machines on C-type (gap frame) and H-type (straight side) platforms, in variants that include American type, cross shaft and pneumatic clutch configurations, offered in defined tonnage bands and configured to order in respect of tonnage, stroke, bed size and clutch and brake systems. We manufacture and supply the mechanical press; and, where a hydraulic configuration is required, the hydraulic pump are arranged and fitted by the customer at their end. We also manufacture machinery parts, including flywheels, shafts, clutches, brake components, gears, sprockets and wear parts, which are supplied both as part of our machines and loose to other power press vendors.

How we operate. Production is aligned strictly to confirmed purchase orders. The operating cycle covers enquiry, application assessment, proposal, order finalisation, engineering release, procurement, melting and casting, machining, fabrication, assembly, testing, painting, dispatch and after-sales support. Our principal raw materials are cast iron and mild steel scrap, iron plates and mild steel rounds, together with coal, welding rods and gases, all of which are sourced domestically. Following the capitalisation of our cupola furnace on November 28, 2024, we have progressively integrated backwards into casting: purchases of bought-out castings

fell from ₹1,698.23 lakhs in Fiscal 2024 and ₹2,746.48 lakhs in Fiscal 2025 to nil in Fiscal 2026, while scrap purchases rose from ₹379.47 lakhs to ₹3,051.71 lakhs over the same period.

Competitive position—key strengths.

- Integrated engineering-to-dispatch manufacturing under one facility.
- Customisation capability across tonnage, hydraulic/mechanical configurations and tooling.
- Localised sourcing ecosystem in Ludhiana reducing lead times and import exposure.
- Order-based production model supporting demand alignment and working capital discipline.

Growth strategy:

Completing the shift to in-house casting. The cupola furnace capitalised on November 28, 2024 has already displaced bought-out castings entirely — purchases fell from ₹2,746.48 lakhs in Fiscal 2025 to nil in Fiscal 2026, while scrap purchases rose from ₹379.47 lakhs to ₹3,051.71 lakhs. Our Chartered Engineer has certified capacity utilisation of the casting line at 91% in Fiscal 2026 against 34% in Fiscal 2025. We intend to consolidate this position by improving melt yield, reducing rejection and rework, and extending in-house casting to a wider range of machine components, so that a larger share of the value in each machine is retained by us.

Adding melting capacity through the proposed Induction Melting Furnace. With the casting line running at 91% utilisation, further growth in the machinery parts business requires additional melting capacity. We have taken on rent 4,111 square yards at VPO Paddi, Hadbast No. 256, Sub-Tehsil Dehlon, Ludhiana, on which we propose to set up an Induction Melting Furnace, part-funded from the Net Proceeds. For details, see "Objects of the Issue" on page 74 of this Draft Red Herring Prospectus.

Growing the machinery parts business as a second revenue stream. Revenue from machinery parts, including castings, has grown from ₹772.61 lakhs in Fiscal 2024 to ₹1,128.11 lakhs in Fiscal 2025 and ₹2,019.60 lakhs in Fiscal 2026, taking its share of revenue from operations from 23.20% to 29.53%. Parts are supplied both as part of our machines and loose to other power press vendors, and carry a shorter order cycle than complete machines. We intend to grow this line further to reduce our dependence on machine orders, which are lumpier and tied to customer capital expenditure cycles.

Broadening our customer base and reducing concentration. Our top 10 customers accounted for 65.93% of revenue from operations in Fiscal 2026, and 76.88% of our revenue was derived from Punjab. Retained customers contributed 77.00% of revenue in Fiscal 2026. We intend to add new customers in the manufacturing clusters outside Punjab in which we already have a presence — Maharashtra, Uttar Pradesh, Gujarat and Jammu and Kashmir — while continuing to serve our existing customers through repeat orders, spares and refurbishment work.

Improving the working capital cycle. We recorded negative cash flows from operating activities in each of Fiscals 2026, 2025 and 2024, and our cash conversion cycle lengthened to 111 days in Fiscal 2026 from 64 days in Fiscal 2025, principally on account of an increase in finished goods inventory from ₹363.94 lakhs to ₹1,362.97 lakhs and in trade receivables from ₹861.35 lakhs to ₹1,308.73 lakhs. We intend to shorten the cycle by aligning production releases more closely to confirmed orders, tightening inventory norms and improving collection discipline. The build-up in inventories in Fiscal 2026 arose principally because the movement of goods out of Ludhiana was disrupted during the period of the conflict between the United States of America and Iran, which halted transportation and delayed the dispatch of completed machines, so that production continued to be carried into finished goods inventory at the year end. Trade receivable days increased correspondingly from 48 days in Fiscal 2025 to 70 days in Fiscal 2026, as against 66 days in Fiscal 2024.

Strengthening after-sales support and the installed base. Every power press machine we supply generates a continuing requirement for wear parts, clutches, brake components, gears and reconditioning over its operating life. We intend to build on our refurbishment, restoration and resale capability and on the availability of spares from our own foundry, to convert the installed base into a recurring source of revenue and to support customer retention.

This overview should be read in conjunction with the detailed sections titled ***'Risk Factors'*** see page 22, '***Financial Information'*** see page 165, and '***Our Business***' see page 109 of this Draft Red Herring Prospectus, for a full understanding of the context, and in particular, the sensitivities relating to forward-looking statements

Material Developments after Last financial Period that may affect the future results of operations

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstances that materially or adversely affect, or are likely to affect, the profitability

of our Company, the value of its assets, or its ability to pay its material liabilities within the previous twelve months.

Further, the Board confirms that there are no changes or events which are expected to result in any future liabilities of the Company other than those already disclosed in this Draft Red Herring Prospectus.

Key Financial performance

(In Lakhs)

Key Performance Indicator	Bhagya Machine Tools Limited		
	March 31, 2026	March 31, 2025	March 31, 2024
GAAP Financial Measures			
Revenue from operations	6,838.42	6,544.35	3,330.61
Year-on-year growth in Revenue from Operations	4.49%	96.49%	-
PAT	821.00	501.72	206.20
PAT Margin (%)	12.01%	7.67%	6.19%
Net Worth	2,026.31	828.31	326.59
Debt	287.18	619.22	170.28
Current Ratio	2.35	1.89	1.35
Debt-Equity Ratio	0.14	0.75	0.52
Non-GAAP Financial Measures			
EBITDA	1,055.80	643.81	267.34
EBITDA Margin (%)	15.44%	9.83%	8.03%
ROE (%)	40.52%	60.57%	63.14%
ROCE (%)	44.21%	43.16%	52.08%
Cash Profit after tax	853.94	520.79	214.76
Operating Cash flow	(42.59)	(60.38)	(98.31)
Operational Measures			
Trade Receivable Days	70	48	66
Trade Payable Days	43	32	64
Inventory Days	84	48	39
Cash Conversion Cycle	111	64	41

Notes:

- *Revenue from operations is the total revenue generated by our Company from the sale of products.*
- *Year-on-year growth in Revenue from Operations is calculated by comparing the revenue of the current year with that of the previous year*
- *PAT is calculated as Profit before tax – Tax Expense's*
- *PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations.*
- *Net worth has been computed as sum of share capital and reserves and surplus.*
- *Debt is calculated as the sum of all borrowings of the Company, including both long-term and short-term borrowings.*
- *Current Ratio is calculated as Current Assets divided by Current Liabilities.*
- *Debt-Equity Ratio is calculated as Total Debt divided by Shareholder's Equity.*
- *EBITDA is calculated as Profit before tax + Depreciation & Amortization + Interest Expense's -Others Income*
- *EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations*
- *Return on Equity is ratio of Profit after Tax and Shareholder Equity.*
- *Return on Capital Employed is calculated as EBIT divided by capital employed, being total shareholders' funds plus total borrowings.*
- *Operating Cash Flow is the restated cash flow of our operations.*
- *Trade Receivable Days are calculated by dividing the total trade receivables by the revenue earned during the period and then multiplying the result by 365.*
- *Trade Payable Days are determined by dividing the total trade payables by the COGS during the period and multiplying the outcome by 365.*
- *Inventory Days are determined by dividing the total inventory by the COGS during the period and multiplying the outcome by 365.*
- *Cash Conversion Cycle is determined by adding Trade Receivable Days and Inventory Days, then subtracting Trade Payable Days from the total.*

Factors affecting our results of operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "***Risk Factors***" beginning on page 22 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Major portion of our revenue depends upon our few customers. The loss of any one or more of our major customer would have a material adverse effect on our business operations and profitability.
2. A substantial portion of our raw materials is sourced from a limited number of suppliers. Any disruption in supply, increase in prices, or inability of these suppliers to meet quality or delivery requirements could materially and adversely affect our operations, production schedules, and profitability.
3. Our Company has a high geographical concentration of revenue from Punjab.
4. Our Business is Dependent on Our Manufacturing Facility, and Any Disruption May Adversely Affect Operations.
5. Volatility in the prices and availability of raw materials may adversely affect our business and results of operations.
6. We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.
7. We have significant working capital requirements, and our inability to meet them may materially and adversely affect our business, financial condition, and results of operations.
8. There are outstanding legal proceedings involving our Company and one of our Directors. Any adverse outcome in these proceedings could divert management attention, result in monetary liability and adversely affect our reputation, business and financial condition.
9. We have made certain erroneous or deficient filings with the Registrar of Companies in relation to subscription money, allotment of securities and our rights issue, which may attract penalties.
10. We have filed an application for compounding of certain past non-compliances under the Companies Act, 2013, relating to disclosures in our financial statements and to certain of our secretarial compliances, which application is pending and may result in penalties.
11. Lack of Long-Term Agreements with Customers May Affect Our Business.
12. Exposure to cyclical reductions in capital expenditure by end users may affect order inflow, factory loading, and capacity utilisation.
13. Our lenders have a charge over our plant and stock in respect of loans/facilities availed by us.
14. Our directors have extended personal guarantees in connection with some of our debt facilities. There can be no assurance that such personal guarantees will be continued to be provided by our Promoters/Directors in future or can be called at any time, affecting the financial arrangements.
15. We require certain approvals, licenses, registrations and permits for our business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.
16. Stringent environmental, health and safety laws and regulations or stringent enforcement of environmental, health and safety laws and regulations may result in increased liabilities and capital expenditures and adversely affect our business, prospects, financial condition and results of operations.
17. We are highly dependent on our Promoters and our management team, and key managerial personnel and the loss of any key team member may adversely affect our business performance.
18. Our business is dependent on the availability of adequate and uninterrupted supply of electrical power at reasonable costs.
19. We are exposed to the risk of delays or non-payment by our clients and other counterparties, which may also result in cash flow mismatches.
20. Certain adjustments have been made in the financial statements of the Company by our Auditors.

Significant Accounting Policies

<table>
<tr><th>Particulars</th><th>Description</th></tr>
<tr><td>Revenue Recognition</td><td>
<table>
<tr><th>Sr. No</th><th>Particulars</th><th>Description</th></tr>
<tr><td>1.</td><td>Sale of Goods</td><td>Revenue from sale of goods is recognised when all significant risks and rewards of ownership is transferred to the buyer and the company retains no effective control of goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding</td></tr>
</table>
</td></tr>
</table>

			the amount of the consideration that will be derived from the sale of the goods.
	2.	Sale of Services	-
	3.	Profit Sharing Revenues	-
	4.	Licensing Agreements	-
	5.	Sales Returns	-
	6.	Other revenues – please specify	-

Other Income
(In case the other income constitutes more than 10% of the total income, the break- up of the same along with the nature of the income, i.e., recurring or non-recurring shall be stated)

Sr. No	Particulars	Description
1.	Interest Income	Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Other income is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.
2.	Dividend Income	-
3.	Gain or loss on derecognition of Financial Assets	-
4.	Other revenues – please specify	-

Property, plant and equipment

Property, Plant & Equipment are stated at cost of acquisition or construction less depreciation. Cost comprise the purchase price and other attributable costs including financing costs of borrowed funds attributable to acquisition of qualifying assets for the period up to date when the asset is ready for use.

Depreciation & useful asset life

Depreciation on Property, Plant and Equipment is provided on SLM Basis as specified in Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

Particulars	Useful life
Building	30 years
Plant & Equipment	15 years
Furniture & Fixtures	10 years

	<table><tr><td>Electrical Equipment</td><td>10 years</td></tr><tr><td>Computers</td><td>3 years</td></tr><tr><td>Office equipment</td><td>8 years</td></tr><tr><td>Vehicles</td><td>8 years</td></tr><tr><td>Intangible Assets</td><td>4 years</td></tr></table>
Goodwill & Intangible assets	Intangible Assets are stated at cost less accumulated amortization. Intangible assets are amortized over their respective individual estimated useful lives on straight line method from the date they are available for use. <table><tr><th>Sr. No</th><th>Particulars</th><th>Description</th></tr><tr><td>1.</td><td>Research & Development</td><td rowspan="3">Not applicable</td></tr><tr><td>2.</td><td>Goodwill</td></tr><tr><td>3.</td><td>Trademark</td></tr></table>
Financial Instruments	NA
Fair Value Measurement	NA
Leases	Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals paid for such leases are recognized as an expense on systematic basis over the term of lease.
Income Tax	The accounting treatment followed for taxes on income is to provide for current tax and deferred tax. Current tax is the aggregate amount of income tax determined to be payable in respect of taxable income for a period in accordance with the provisions of the Income tax Act,1961. Deferred tax is the tax effect of timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and tax laws enacted or substantively enacted as at its reporting dates. Deferred tax assets and deferred tax liabilities have been set off as it relates to income taxes levied by the same taxation authority.
Impairment	At each balance sheet date an assessment is made whether any indication exists that an asset/cash generating unit has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.
Borrowing costs	Borrowing costs in relation to borrowings that are directly attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.
Employee Benefits	(a) Short Term Employee Benefits Short term employee benefits are recognized as an expense on an undiscounted basis in the statement of profit and loss of the period in which the related service is rendered. (b) Post Employment Benefits (i) Defined Contribution Plans The Employer's contribution to Provident Fund and Employees Pension Scheme, a defined contribution plan is made in accordance with the Provident Fund Act, 1952 read with the Employees Pension Scheme, 1995. The contribution to the Scheme is recognised as an expense in the statement of profit and loss in which contribution to such schemes becomes due and when services are rendered by the employees. (ii) Defined Benefit Plans:

	The gratuity liability is determined and provided using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date by an independent valuer. Actuarial gains and losses are recognized in the statement of profit and loss in the period in which they occur.
Provisions	A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to present value.
Contingent Liabilities	A disclosure for a contingent liability is made when there is : (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or (ii) a present obligation that arises from past events but is not recognised because: a.) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or b.) the amount of the obligation cannot be measured with sufficient reliability.
Contingent Assets	NA
Foreign currencies	**(**i) Foreign currency transactions are recorded on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. (ii) Foreign currency monetary items are reported using the closing rate as at the date of balance sheet. The exchange difference arising on the settlement of monetary items or on reporting these items at rate different from those at which they are initially recorded during the period or reported in the previous financial statements are recognized as income or expenses in the period in which they arise.
Cash and cash equivalent	*Please refer to* ***Accounting Policies for Cash Flow Statement***.
Earnings per share	Basic Earnings per share (before dilution) is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the company by the weighted average number of shares for the period. Diluted Earnings per Share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the company by dividing the weighted average number of shares determined and assuming conversion of all potential securities.
Inventories	Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchases, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. The Company holds inventory in the form of power press machines, C.I. castings, rounds, angles and their parts.
Segment Reporting	The Company has identified a single reportable operating segment, being the manufacture of power press machines and their parts. Segment assets, segment liabilities and segment profit and loss are measured in the same way as in the financial statements, and performance is reviewed by the Board of Directors, being the chief operating decision maker.
Cash Flow Statement	The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2021.
Events after reporting date	In the opinion of the management, there have been no material events, occurrences, or changes in circumstances between the balance sheet date and the date of approval of these Restated Financial Statements that would require adjustments to or disclosure in these financial statements, except as otherwise disclosed in the Prospectus.
Business Combinations	NA

Key Components of Profit & Loss

Particulars	Description
REVENUES	
Revenue from Operations	Revenue from operations consists of revenue from the sale of power press machines and machinery parts manufactured by the Company and, in Fiscals 2025 and 2024, from the sale of traded machinery parts.
Other Income	Other income comprises miscellaneous income in the nature of rebates and discounts and, in Fiscal 2024, interest on bank deposits.
EXPENSES	
Cost of Material Consumed	Cost of materials consumed primarily comprises the consumption of iron plates, castings, scrap, MS rounds, coal, welding rods and gases, together with consumables, stores and spares.
Purchase of Stock-in Trade	Purchase of stock-in-trade comprised iron plates and castings purchased for resale in Fiscals 2025 and 2024. There were no purchases of stock-in-trade in Fiscal 2026. Those items have been forged and cast in-house since the commissioning of our cupola furnace capitalised on November 28, 2024, and the absence of purchases of stock-in-trade in Fiscal 2026 does not represent the discontinuation of any line of business or a change in accounting policy.
Change in inventories of finished goods and work in progress	Change in inventories of finished goods, work in progress and stock-in-trade comprises the movement in closing stock of power press machines, castings and work in progress over opening stock.
Employee benefit expenses	Employee benefit expenses include directors' remuneration, salaries and wages, provision for gratuity determined on an actuarial basis and staff welfare expenses.
Finance costs	Finance costs comprise interest on borrowings from banks and financial institutions and bank charges.
Depreciation expenses	Property, plant and equipment comprise vehicles, machinery, office equipment, computers and laptops and weighing scales, depreciated on a straight-line basis over the useful lives specified in Schedule II to the Companies Act, 2013.
Other expenses	Other expenses comprise manufacturing expenses, including power and fuel and daily wages, and administrative and selling expenses including auditor's remuneration, printing and stationery, commission, rent, rates and taxes, telephone expenses, professional charges, repairs and maintenance, travelling and conveyance, freight and cartage outwards, insurance, CSR expenditure, interest on statutory payments, office expenses, software expenses and vehicle expenses.
Tax expenses	Tax expenses comprise current tax and deferred tax.

Result of operations

The following table sets forth select financial data from our restated statement of profit and loss for Fiscals 2026, 2025 and 2024, the components of which are also expressed as a percentage of total income for such years.

(In Lakhs)

Particulars	March 31, 2026	% of Revenue	March 31, 2025	% of Revenue	March 31, 2024	% of Revenue
Income						
Revenue from operations	6,838.42	100.00%	6,544.35	100.00%	3,330.61	99.95%
Other income	0.02	0.00%	0.07	0.00%	1.57	0.05%
Total Income	**6,838.44**	**100.00%**	**6,544.42**	**100.00%**	**3,332.18**	**100.00%**
Expenses						
Cost of Materials Consumed	6,704.62	98.04%	5,637.70	86.15%	2,865.17	85.98%
Purchase of Stock in Trade	-	-	507.10	7.75%	230.50	6.92%
Change in Inventories of Finished Goods, Work in Progress & Stock in Trade	(1,010.48)	(14.78%)	(324.74)	(4.96%)	(66.68)	(2.00%)
Employee benefits expenses	49.52	0.72%	44.66	0.68%	17.00	0.51%
Finance costs	30.55	0.45%	19.03	0.29%	11.40	0.34%
Depreciation and Amortisation expenses	32.94	0.48%	19.07	0.29%	8.56	0.26%
Other expenses	38.95	0.57%	35.83	0.55%	17.28	0.52%
Total Expenses	**5,846.11**	**85.49%**	**5,938.64**	**90.74%**	**3,083.23**	**92.53%**
Restated Profit/(Loss) before tax	**992.34**	**14.51%**	**605.78**	**9.26%**	**248.95**	**7.47%**
Tax expense						

Current tax	167.74	2.45%	100.96	1.54%	41.48	1.24%
Deferred tax (benefit)/charge	3.60	0.05%	3.10	0.05%	1.27	0.04%
MAT Credit Entitlement	-	-	-	-	-	-
Total tax expense	**171.34**	**2.51%**	**104.06**	**1.59%**	**42.75**	**1.28%**
Share of minority in profit	-	-	-	-	-	-
Restated Profit/(Loss) after tax	**821.00**	**12.01%**	**501.72**	**7.67%**	**206.20**	**6.19%**

<table>
<tr><th>Particulars</th><th>Fiscal 2026 compared to Fiscal 2025</th><th>Fiscal 2025 compared to Fiscal 2024</th></tr>
<tr><td>Revenue from Operations</td><td>Revenue from operations increased by 4.49%, from ₹ 6,544.35 Lakhs in Fiscal 2025 to ₹ 6,838.42 Lakhs in Fiscal 2026. The increase was driven by a change in sales mix towards machinery parts, revenue from which rose from ₹ 1,128.11 Lakhs to ₹ 2,019.60 Lakhs, offsetting a reduction in power press machine sales from ₹ 5,416.23 Lakhs to ₹ 4,818.82 Lakhs. All revenue in Fiscal 2026 was derived from manufactured goods, the items previously bought for resale having been manufactured in-house following the commissioning of our cupola furnace.

<table>
<tr><th>Financial Year</th><th>Capex during the year (₹ in Lakhs)</th><th>Net block of property, plant and equipment at the end of the year (₹ in Lakhs)</th><th>Revenue from operations (₹ in Lakhs)</th><th>Growth in revenue from operations (%)</th></tr>
<tr><td>2025-26</td><td>1.44</td><td>386.30</td><td>6,838.42</td><td>4.49%</td></tr>
<tr><td>2024-25</td><td>315.75</td><td>417.80</td><td>6,544.35</td><td>96.49%</td></tr>
</table></td><td>Revenue from operations increased by 96.49%, from ₹ 3,330.61 Lakhs in Fiscal 2024 to ₹ 6,544.35 Lakhs in Fiscal 2025, principally on account of higher sales of power press machines, which grew from ₹ 2,558.00 Lakhs to ₹ 5,416.23 Lakhs following capital expenditure of ₹ 315.75 Lakhs on plant and machinery during the year.

<table>
<tr><th>Financial Year</th><th>Capex during the year (₹ in Lakhs)</th><th>Net block of property, plant and equipment at the end of the year (₹ in Lakhs)</th><th>Revenue from operations (₹ in Lakhs)</th><th>Growth in revenue from operations (%)</th></tr>
<tr><td>2024-25</td><td>315.75</td><td>417.80</td><td>6,544.35</td><td>96.49%</td></tr>
<tr><td>2023-24</td><td>33.53</td><td>121.12</td><td>3,330.61</td><td>–</td></tr>
</table></td></tr>
<tr><td>Other Income</td><td>Other income decreased by 71.43%, from ₹ 0.07 Lakhs in Fiscal 2025 to ₹ 0.02 Lakhs in Fiscal 2026.</td><td>Other income decreased by 95.54%, from ₹ 1.57 Lakhs in Fiscal 2024 to ₹ 0.07 Lakhs in Fiscal 2025, mainly because interest income on bank deposits earned in Fiscal 2024 did not recur.</td></tr>
<tr><td>Cost of Material Consumed</td><td>Cost of materials consumed increased by 18.92%, from ₹ 5,637.70 Lakhs in Fiscal 2025 to ₹ 6,704.62 Lakhs in Fiscal 2026, reflecting the shift of the entire product mix to in-house manufacture and a substantial build-up of finished goods inventory during the year.</td><td>Cost of materials consumed increased by 96.77%, from ₹ 2,865.17 Lakhs in Fiscal 2024 to ₹ 5,637.70 Lakhs in Fiscal 2025, broadly in line with the growth in revenue from operations.</td></tr>
<tr><td>Purchase of Stock-In Trade</td><td>There were no purchases of stock-in-trade in Fiscal 2026, as against ₹ 507.10 Lakhs in Fiscal 2025. The iron plates and castings previously bought for resale have, following the commissioning of our cupola furnace capitalised on November 28, 2024, been forged and cast in-house, and there was accordingly no need to purchase those items from outside during Fiscal 2026. This does not represent the discontinuation of any line of business, a change in our business model or accounting policy, or a reclassification of this expense component.</td><td>Purchase of stock-in-trade increased by 120.00%, from ₹ 230.50 Lakhs in Fiscal 2024 to ₹ 507.10 Lakhs in Fiscal 2025.</td></tr>
<tr><td>Change in</td><td>Change in inventories of finished goods, work in progress and stock-in-trade was a credit of ₹ 1,010.48 Lakhs in Fiscal 2026, as against a credit of ₹ 324.74</td><td>Change in inventories of finished goods, work in progress and stock-in-trade was a credit of ₹ 324.74</td></tr>
</table>

<table>
<tr><td>Inventories</td><td>Lakhs in Fiscal 2025, reflecting an increase in closing finished goods from ₹ 363.94 Lakhs to ₹ 1,362.97 Lakhs.</td><td>Lakhs in Fiscal 2025, as against a credit of ₹ 66.68 Lakhs in Fiscal 2024.</td></tr>
<tr><td>Employee Benefit Expenses</td><td>Employee benefits expenses increased by 10.88%, from ₹ 44.66 Lakhs in Fiscal 2025 to ₹ 49.52 Lakhs in Fiscal 2026, mainly on account of higher directors' remuneration and salaries and wages.</td><td>Employee benefits expenses increased by 162.71%, from ₹ 17.00 Lakhs in Fiscal 2024 to ₹ 44.66 Lakhs in Fiscal 2025, reflecting higher directors' remuneration, an increase in headcount and the first-time recognition of a gratuity provision of ₹ 3.21 Lakhs.</td></tr>
<tr><td>Finance Costs</td><td>Finance costs increased by 60.54%, from ₹ 19.03 Lakhs in Fiscal 2025 to ₹ 30.55 Lakhs in Fiscal 2026, on account of a full year of interest on the borrowings drawn during Fiscal 2025.</td><td>Finance costs increased by 66.93%, from ₹ 11.40 Lakhs in Fiscal 2024 to ₹ 19.03 Lakhs in Fiscal 2025, following an increase in total borrowings from ₹ 170.28 Lakhs to ₹ 619.22 Lakhs.</td></tr>
<tr><td>Depreciation Expenses</td><td>Depreciation and amortisation expenses increased by 72.73%, from ₹ 19.07 Lakhs in Fiscal 2025 to ₹ 32.94 Lakhs in Fiscal 2026, reflecting a full year of charge on the plant and machinery capitalised in Fiscal 2025.</td><td>Depreciation and amortisation expenses increased by 122.78%, from ₹ 8.56 Lakhs in Fiscal 2024 to ₹ 19.07 Lakhs in Fiscal 2025.</td></tr>
<tr><td>Other Expenses</td><td>Other expenses increased by 8.71%, from ₹ 35.83 Lakhs in Fiscal 2025 to ₹ 38.95 Lakhs in Fiscal 2026, primarily on account of daily wages expenses and the first year of corporate social responsibility expenditure of ₹ 3.50 Lakhs.</td><td>Other expenses increased by 107.35%, from ₹ 17.28 Lakhs in Fiscal 2024 to ₹ 35.83 Lakhs in Fiscal 2025.</td></tr>
<tr><td>Tax Expenses</td><td>Total tax expense increased by 64.66%, from ₹ 104.06 Lakhs in Fiscal 2025 to ₹ 171.34 Lakhs in Fiscal 2026, in line with the increase in restated profit before tax. As disclosed in Annexure 40 to the Restated Financial Information, the Company has been assessed at an effective rate of 17.16% in each of the periods presented, being the concessional rate under section 115BAB of the Income-tax Act, 1961 (15% plus applicable surcharge and cess), and has not opted for section 115BAA of that Act.</td><td>Total tax expense increased by 143.42%, from ₹ 42.75 Lakhs in Fiscal 2024 to ₹ 104.06 Lakhs in Fiscal 2025.</td></tr>
<tr><td>Profit After Tax (PAT)</td><td>Restated profit after tax increased by 63.64%, from ₹ 501.72 Lakhs in Fiscal 2025 to ₹ 821.00 Lakhs in Fiscal 2026. Total expenses fell from ₹ 5,938.64 Lakhs to ₹ 5,846.11 Lakhs, that is from 90.74% to 85.49% of total income, principally on account of the build-up of finished goods inventory and the substitution of lower-margin bought-out parts by in-house manufacture. EBITDA rose from ₹ 643.81 Lakhs to ₹ 1,055.80 Lakhs and the EBITDA margin from 9.83% to 15.44%.

<table><tr><th rowspan="2">Particulars</th><th>Fiscal 2026</th><th>Fiscal 2025</th></tr><tr><th>In %</th><th>In %</th></tr><tr><td>Power Press Machines</td><td>70.47%</td><td>82.76%</td></tr><tr><td>Machinery Parts (including castings)</td><td>29.53%</td><td>17.24%</td></tr></table></td><td>Restated profit after tax increased by 143.32%, from ₹ 206.20 Lakhs in Fiscal 2024 to ₹ 501.72 Lakhs in Fiscal 2025, on the back of the 96.49% growth in revenue from operations. EBITDA rose from ₹ 267.34 Lakhs to ₹ 643.81 Lakhs and the EBITDA margin from 8.03% to 9.83%.

<table><tr><th rowspan="2">Particulars</th><th>Fiscal 2025</th><th>Fiscal 2024</th></tr><tr><th>In %</th><th>In %</th></tr><tr><td>Power Press Machines</td><td>82.76%</td><td>76.80%</td></tr><tr><td>Machinery Parts (including castings)</td><td>17.24%</td><td>23.20%</td></tr></table></td></tr>
</table>

Liquidity and capital resources

Sr. No.	Particulars	Description
1	Capital Requirements	Historically, the Company's capital requirements have been to finance working capital and additions to plant and machinery, and have been met principally through internal accruals, borrowings from banks and financial institutions and, in Fiscal 2026, through the issue of Equity Shares on a rights basis. Capital expenditure on property, plant and equipment was ₹ 1.44 Lakhs in Fiscal 2026, ₹ 315.75 Lakhs in Fiscal 2025 and ₹ 33.53 Lakhs in Fiscal 2024. The Company may consider additional equity or debt financing to fund its growth plans.

2	Liquidity	Historically, liquidity requirements have been met through borrowings and internal accruals. As at March 31, 2026, the Company had cash and cash equivalents of ₹ 32.35 Lakhs, short-term borrowings of ₹ 247.39 Lakhs and long-term borrowings of ₹ 39.79 Lakhs, and a current ratio of 2.35. Considering expected cash flows and the proceeds of the Issue, the Company believes it has sufficient liquidity to meet its current obligations and anticipated working capital needs over the next 12 months.

Cash Flows

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Net cash from operating activities	(42.59)	(60.38)	(98.31)
Net cash from investing activities	(1.44)	(315.85)	(33.53)
Net cash flows from financing activities	14.40	429.92	135.99
Net increase/ (decrease) in cash and bank balance	(29.62)	53.69	4.16
Cash and cash equivalents at the end of the year end	32.35	61.97	8.28

Note: Income tax paid represents the current tax charge for the respective year. The movement in the provision for income tax is included within "Trade & Other Payables (including provisions)" under changes in working capital. Accordingly, the closing cash and cash equivalents in the Restated Cash Flow Statement of ₹ 32.35 Lakhs, ₹ 61.97 Lakhs and ₹ 8.28 Lakhs as at March 31, 2026, March 31, 2025 and March 31, 2024 respectively agree with cash and cash equivalents disclosed in the Restated Statement of Assets and Liabilities as at those dates.

Assessment of Cash Flow

a. Cash Flow from Operations

Particulars	Fiscal 2026 compared to Fiscal 2025	Fiscal 2025 compared to Fiscal 2024
Profit before tax	Profit before tax increased by ₹ 386.56 Lakhs, from ₹ 605.78 Lakhs in Fiscal 2025 to ₹ 992.34 Lakhs in Fiscal 2026.	Profit before tax increased by ₹ 356.83 Lakhs, from ₹ 248.95 Lakhs in Fiscal 2024 to ₹ 605.78 Lakhs in Fiscal 2025.
Adjustments		
Depreciation and amortization	Depreciation and amortisation increased by ₹ 13.87 Lakhs, from ₹ 19.07 Lakhs to ₹ 32.94 Lakhs.	Depreciation and amortisation increased by ₹ 10.51 Lakhs, from ₹ 8.56 Lakhs to ₹ 19.07 Lakhs.
Other non-cash (income)/expenditure	-	-
Loss on sale of Property, Plant and Equipment	-	-
Interest Income	-	Interest income of ₹ 0.46 Lakhs earned in Fiscal 2024 did not recur in Fiscal 2025.
Finance cost	Finance costs increased by ₹ 11.52 Lakhs, from ₹ 19.03 Lakhs to ₹ 30.55 Lakhs.	Finance costs increased by ₹ 7.63 Lakhs, from ₹ 11.40 Lakhs to ₹ 19.03 Lakhs.
Other Income	-	-
Provision for Gratuity	Provision for gratuity was ₹ 0.65 Lakhs in Fiscal 2026, as against ₹ 3.21 Lakhs in Fiscal 2025.	Provision for gratuity of ₹ 3.21 Lakhs was recognised for the first time in Fiscal 2025 on the basis of an actuarial valuation; no such provision was carried in Fiscal 2024.
Foreign Exchange Fluctuation	-	-
Bad and Doubtful Debts	-	-
Advances Written Off		
Operating profit before working capital changes	Operating profit before working capital changes increased by ₹ 409.38 Lakhs, from ₹ 647.09 Lakhs to ₹ 1,056.47 Lakhs.	Operating profit before working capital changes increased by ₹ 378.18 Lakhs, from ₹ 268.91 Lakhs to ₹ 647.09 Lakhs.
Working Capital changes	-	-
Increase / (Decrease)	-	-

in provisions		
Increase/ (Decrease) in trade payables	Trade and other payables (including provisions) increased by ₹ 366.17 Lakhs in Fiscal 2026, as against ₹ 96.90 Lakhs in Fiscal 2025.	Trade and other payables (including provisions) increased by ₹ 96.90 Lakhs in Fiscal 2025, as against ₹ 178.49 Lakhs in Fiscal 2024.
Increase / (Decrease) in other financial liabilities	-	-
Increase / (Decrease) in other liabilities	-	-
(Increase) / Decrease in inventories	Inventories increased by ₹ 797.14 Lakhs in Fiscal 2026, as against an increase of ₹ 437.64 Lakhs in Fiscal 2025, mainly on account of finished goods.	Inventories increased by ₹ 437.64 Lakhs in Fiscal 2025, as against an increase of ₹ 273.56 Lakhs in Fiscal 2024.
(Increase) / Decrease in trade receivables	Trade receivables increased by ₹ 447.38 Lakhs in Fiscal 2026, as against an increase of ₹ 258.88 Lakhs in Fiscal 2025.	Trade receivables increased by ₹ 258.88 Lakhs in Fiscal 2025, as against an increase of ₹ 221.42 Lakhs in Fiscal 2024.
(Increase) / Decrease in other financial assets	-	-
(Increase) / Decrease in other assets	Loans, advances and other assets increased by ₹ 52.97 Lakhs in Fiscal 2026, as against an increase of ₹ 6.89 Lakhs in Fiscal 2025.	Loans, advances and other assets increased by ₹ 6.89 Lakhs in Fiscal 2025, as against an increase of ₹ 9.25 Lakhs in Fiscal 2024.
Cash (used in)/ generated from operations	Cash generated from operations increased by ₹ 84.59 Lakhs, from ₹ 40.57 Lakhs in Fiscal 2025 to ₹ 125.16 Lakhs in Fiscal 2026.	Cash generated from operations improved by ₹ 97.40 Lakhs, from an outflow of ₹ 56.83 Lakhs in Fiscal 2024 to an inflow of ₹ 40.57 Lakhs in Fiscal 2025.
Income tax paid (net of refund)	Income tax paid increased by ₹ 66.78 Lakhs, from ₹ 100.96 Lakhs to ₹ 167.74 Lakhs.	Income tax paid increased by ₹ 59.48 Lakhs, from ₹ 41.48 Lakhs to ₹ 100.96 Lakhs.
Net cash flow (used in)/ generated from operating activities	Net cash used in operating activities was ₹ 42.59 Lakhs in Fiscal 2026, as against ₹ 60.38 Lakhs in Fiscal 2025.	Net cash used in operating activities was ₹ 60.38 Lakhs in Fiscal 2025, as against ₹ 98.31 Lakhs in Fiscal 2024.

b. Cash Flow from Investments

Particulars	Fiscal 2026 compared to Fiscal 2025	Fiscal 2025 compared to Fiscal 2024
Purchase of property, plant and equipment	Purchase of property, plant and equipment was ₹ 1.44 Lakhs in Fiscal 2026, as against ₹ 315.75 Lakhs in Fiscal 2025.	Purchase of property, plant and equipment was ₹ 315.75 Lakhs in Fiscal 2025, as against ₹ 33.53 Lakhs in Fiscal 2024.
Purchase of intangible assets	-	-
Purchase of capital work-in-progress	-	-
Interest Income	-	Interest income of ₹ 0.46 Lakhs received in Fiscal 2024 did not recur in Fiscal 2025.
Other Income	-	-
Proceeds from sale of property, plant and equipment	-	-

Investments in bank deposits	-	A security deposit of ₹ 0.10 Lakhs was placed with NSDL in Fiscal 2025 in connection with the proposed Issue.
Proceeds from bank deposits	-	-
Sale of investments	-	-
Purchase of Investments	-	-
Loans and advances received/(given)	–	–
Net cash flow (used in)/ generated from investing activities	Net cash used in investing activities was ₹ 1.44 Lakhs in Fiscal 2026, as against ₹ 315.85 Lakhs in Fiscal 2025.	Net cash used in investing activities was ₹ 315.85 Lakhs in Fiscal 2025, as against ₹ 33.53 Lakhs in Fiscal 2024.

c. Cash Flow from Financing

Particulars	Fiscal 2026 compared to Fiscal 2025	Fiscal 2025 compared to Fiscal 2024
Interest paid on borrowings	Finance costs paid increased by ₹ 11.52 Lakhs, from ₹ 19.03 Lakhs in Fiscal 2025 to ₹ 30.55 Lakhs in Fiscal 2026.	Finance costs paid increased by ₹ 7.63 Lakhs, from ₹ 11.40 Lakhs in Fiscal 2024 to ₹ 19.03 Lakhs in Fiscal 2025.
Interest paid on lease liability	-	-
Dividend paid	-	-
Net Repayment of long-term borrowings	Net proceeds from long-term borrowings were ₹ 0.48 Lakhs in Fiscal 2026, as against ₹ 339.55 Lakhs in Fiscal 2025.	Net proceeds from long-term borrowings were ₹ 339.55 Lakhs in Fiscal 2025, as against ₹ 12.60 Lakhs in Fiscal 2024.
Net Repayment of short-term borrowings	Net short-term borrowings were repaid to the extent of ₹ 0.53 Lakhs in Fiscal 2026, as against net proceeds of ₹ 109.39 Lakhs in Fiscal 2025.	Net proceeds from short-term borrowings were ₹ 109.39 Lakhs in Fiscal 2025, as against ₹ 134.79 Lakhs in Fiscal 2024.
Payment of principal portion of lease liabilities	-	-
Proceeds from Share Capital	Proceeds from the issue of share capital were ₹ 45.00 Lakhs in Fiscal 2026, being the rights allotment of January 23, 2026. The rights allotment of December 31, 2025 was discharged by adjustment against loans due to the directors and accordingly does not appear in the restated statement of cash flows.	There were no proceeds from the issue of share capital in either Fiscal 2025 or Fiscal 2024.
Net cash flow (used in)/ generated from financing activities	Net cash generated from financing activities was ₹ 14.40 Lakhs in Fiscal 2026, as against ₹ 429.92 Lakhs in Fiscal 2025.	Net cash generated from financing activities was ₹ 429.92 Lakhs in Fiscal 2025, as against ₹ 135.99 Lakhs in Fiscal 2024.

Contingent Liabilities and Off-Balance Sheet Arrangements

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Contingent Liabilities			
- *Standby Letter of Credit*	-	-	-
- *Bank Guarantee*	-	-	-

- Other money for which the Company is contingently liable (income tax)	-	31.18	-
Commitments			
- *Borrowings*	-	-	-
- *Lease Liabilities*	-	-	-
- *Estimated Amount of contracts remaining to be executed on capital account (Net of Advances)*	-	-	-

Contractual Obligations & Commitments

Particulars	Carrying Amount	< less than 1 year	1 to 3 years	>3 years
As at March 31, 2026				
- *Borrowings*	-	-	-	-
- *Lease Liabilities*	-	-	-	-
- *Estimated Amount of contracts remaining to be executed on capital account (Net of Advances)*	-	-	-	-

Related Party Transaction (In Lakhs)

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Related Party - Asset transactions	-	-	10.84
as a % of Total Assets	-	-	1.04%
Related Party - borrowings availed/(Repaid) (Net)	(15.93)	356.52	0.25
as a % of Total borrowings	(5.55%)	57.58%	0.15%
Related Party - Revenue Transactions	-	-	16.60
as a % of Total Income	-	-	0.50%
Related Party - Expense transactions	246.40	14.40	7.20
as a % of Total Expenses	4.21%	0.24%	0.23%
Related Party - Issue of Equity	332.00	-	-
as a % of Total Equity	16.38%	-	-

The aggregate related party transactions increased from 1.17% of turnover in Fiscal 2024 to 9.54% in Fiscal 2025 and reduced to 0.51% in Fiscal 2026, on account of two non-recurring transactions in Fiscal 2025. First, unsecured loans aggregating ₹ 368.64 Lakhs were received from Mr. Jasdil Singh and Mr. Jaskaran Singh, Directors, to meet the working capital requirements of our Company; of the amounts due to the Directors, ₹ 332.00 Lakhs was subsequently adjusted against the subscription money payable on the rights allotment of December 31, 2025 and the balance is being repaid in the ordinary course, related party borrowings having been a net repayment of ₹ 15.93 Lakhs in Fiscal 2026. Second, goods of ₹ 227.20 Lakhs were purchased from M/s Micro Engineers, the sole proprietorship concern of Mr. Jagdev Singh, our Promoter and Managing Director. Mr. Jagdev Singh shut down the operations of that concern during Fiscal 2025 and its entire stock was sold to our Company, which is why the transaction arose only in that year and has not recurred. Both transactions were entered into in the ordinary course of business and on an arm's length basis, and were approved in accordance with the Companies Act, 2013.

Customer Concentration

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Top Customer (as % of total revenues)	18.12%	11.56%	38.01%

Top 3 Customers (as % of total revenues)	34.17%	30.73%	50.89%
Top 5 Customers (as % of total revenues)	45.26%	46.82%	60.18%
Top 10 Customers (as % of total revenues)	65.93%	69.05%	75.21%

Supplier Concentration

Particulars	Fiscal 2026	Fiscal 2025	Fiscal 2024
Top Supplier (as % of total revenues)	42.46%	39.51%	31.75%
Top 3 Suppliers (as % of total revenues)	56.38%	74.57%	62.12%
Top 5 Suppliers (as % of total revenues)	66.95%	87.57%	81.12%
Top 10 Suppliers (as % of total revenues)	82.93%	98.51%	98.29%

Our Company confirms that it has no foreign customers or suppliers. There were no exports and no imports in any of Fiscals 2026, 2025 and 2024, and the Company had no unhedged foreign currency exposure as at March 31, 2026, March 31, 2025 or March 31, 2024. Accordingly, there is no material impact on our operations on account of exchange rate fluctuations.

Auditors Observations

Financial Year / Period	Nature of Adverse Observation (Reservations, qualifications, adverse remarks, matters of emphasis or Other Matter)	Details of Adverse Observations	Company's response to reservations, qualifications, adverse remarks or matters of emphasis, including any corrective measures	Impact on the financial statements and financial position of the Company
NA				

Date	Event	Impact on the Financials	Mitigation Factors	Future Liabilities arising due to the event
NA				

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS

a. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, Our Company has not engaged in any transactions or events during the periods under review that, in our best judgment, would be considered unusual or infrequent.

b. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the "***Risk Factors***" beginning on page 22 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

c. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in this Draft Red Herring Prospectus, particularly in the sections "***Risk Factors***" on pages 22 , respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

d. Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change

Our Company's future costs and revenues will be determined by the growth of the industry in which we operate.

e. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

f. Total turnover of each major industry segment in which the Issuer Company operates

Our Company is engaged in the manufacture of power press machines and machinery parts, and has identified a single reportable operating segment. The product-wise break-up of revenue from operations is set out below:

(In Lakhs)

Particulars	Fiscal 2026		Fiscal 2025		Fiscal 2024	
	Amount	In %	Amount	In %	Amount	In %
Power Press Machines	4,818.82	70.47%	5,416.23	82.76%	2,558.00	76.80%
Machinery Parts (including castings)	2,019.60	29.53%	1,128.11	17.24%	772.61	23.20%

Relevant industry data, as available, has been included in the chapter titled "Our Industry" beginning on page 99 of this Draft Red Herring Prospectus.

g. Status of any Publicly Announced New Business Segments

Except as disclosed in the section "***Our Business"*** on page 109 of this Draft Red Herring Prospectus, our Company has not publicly announced any new business segment.

h. Seasonality of the Business

Our business is not materially seasonal. Order inflow is driven by capital expenditure and replacement cycles in the industries we serve rather than by season, although revenue in any period can be uneven because production is order-driven and is recognised on dispatch following factory acceptance testing. For a detailed understanding, please refer to the "Risk Factors" on page 22 of this Draft Red Herring Prospectus.

i. Any significant dependence on a single or few suppliers or customers

Our Company is significantly dependent on a few suppliers. For further details, refer to the chapter titled "***Risk factors***" on page 22 of Draft Red Herring Prospectus.

j. Competitive Conditions

Competitive conditions have been discussed in sections titled "***Our Business***" and "***Our Industry***" on pages 109 and 99 of this Draft Red Herring Prospectus.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, and our Promoters ("Relevant Parties"). Further, there is no pending litigation involving Our Group Companies, the adverse outcome of which may have a material impact on our Company.

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors June 17, 2026 for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters, would be considered 'material' where:

i. The monetary amount of the claim made by or against the Company, its joint venture(s) and directors in any such pending Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
(a) two percent of turnover, being ₹136.77 lakhs, as per the latest annual restated financial statements of the issuer; or
(b) two percent of net worth, being ₹40.53 lakhs, as per the latest annual restated financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or
(c) five percent of the average of absolute value of profit or loss after tax, being ₹25.48 lakh, as per the last three annual restated financial statements of the issuer., and

ii. the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but an outcome in any such litigation would materially and adversely affect the Company's business, operations, cash flows, financial position or reputation of the Company.

iii. any such litigation which does not meet the criteria set out in (i) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds 10 % of the total trade payables of the Company as per the latest restated financial statements of the Company shall be considered as 'material'. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("MSME"), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Auditor.

It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Directors or Our Group Companies shall not be considered as litigation until such time that any of our Company, our Directors or Our Group Companies, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. All terms defined in a particular litigation disclosure pertain to that litigation only.

OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES

1. A summary of outstanding litigation involving our Company, our Directors, our Promoters and our Group Companies, is set out below:

Parties (by or against the Company / Promoters)	No. of matters	Nature of proceedings	Amount involved (₹ in Lakhs)
By our Company	2	Applications for compounding and adjudication filed Suo motu with the Regional Director (Northern Region) and the Registrar of Companies, Punjab & Chandigarh	2.00*

Against our Company	1	Action by tax authority – demand recovery notice for Assessment Year 2024-25	31.18
By or against our Promoters	Nil	–	–
Against our Directors (other than Promoters)	1	Other material pending proceeding	Not quantifiable
By or against our Group Companies / entities	Nil	–	–

**Indicative aggregate penalty of ₹ 1,25,000 on our Company and ₹ 75,000 on each officer-in-default sought in the adjudication application, computed after applying the relief available under Section 446B of the Companies Act, 2013. The compounding application does not quantify a monetary claim. The amount of ₹ 2.00 Lakhs shown above is inclusive of the indicative penalty of ₹ 75,000 on the officers-in-default; the amount of ₹ 1.25 Lakhs disclosed in the summary table under "Risk Factors" on page 22 of this Draft Red Herring Prospectus represents the indicative penalty on our Company alone.*

Outstanding Litigations against the Company

1. Criminal Proceedings

Nil

2. Actions by Statutory/ Regulatory Authorities:

The Income Tax Officer, Ludhiana issued a demand recovery notice dated August 18, 2025 to Bhagya Steels Limited (as our Company was then named), bearing DIN and Letter No. ITBA/RCV/F/17/2025-26/1079693806(1), in respect of an outstanding tax demand of ₹ 31,18,080 for Assessment Year 2024-25 arising from an intimation dated November 29, 2024 passed under Section 143(1)(a) of the Income-tax Act, 1961 (DIN 20242024373320 57004C). The notice states that, as per the records of the Department, the demand remains unpaid and directs our Company to deposit the amount and furnish the corresponding challan

Our Company filed a reply dated July 22, 2026 stating that the amounts demanded had already been deposited, namely ₹ 31,18,083 paid on February 18, 2025 vide Challan No. 02228 (BSR Code 693001) for Assessment Year 2024-25, and requested the Department to verify the payments from its records, update the outstanding demand and confirm that the tax has been duly credited. The reply bears the Income Tax Department's acknowledgment stamp dated July 23, 2026 (Acknowledgment No. 273262610069). A response from the Department is awaited.

This demand is disclosed as a contingent liability of ₹ 31.18 Lakhs for Fiscal 2025 in Annexure 34 to the Restated Financial Information.

3. Other material pending proceedings

Nil

Outstanding Litigations by the Company

1. Criminal Proceedings

Nil

2. Actions by our Company and other material pending proceedings

Our Company, together with its officers-in-default, namely Mr. Jagdev Singh (Managing Director), Ms. Charanjit Kaur, Mr. Jasdil Singh and Mr. Jaskaran Singh (Directors), has filed a joint compounding petition before the Regional Director (Northern Region), Ministry of Corporate Affairs, under Section 441 of the Companies Act, 2013. The petition discloses inadvertent and non-deliberate defaults across three financial years: for Fiscal 2022, the notice of the annual general meeting classified the appointment of Directors as ordinary business rather than special business without an explanatory statement, and the fixed assets schedule was omitted from the financial statements, contravening Sections 101, 102 and 152 and Section 129(1) read with Schedule III; for Fiscal 2023, the depreciation schedule and promoter shareholding disclosures were omitted from the financial statements and a clerical error in Form MGT-7 misreported the number of Board meetings, contravening Section 92; and for Fiscal 2024, long-term and short-term borrowings were correctly shown as secured in the notes to accounts but were mis-labelled as unsecured in the

corresponding annexures. Our Company has submitted that the defaults were bona fide and procedural, without any mala fide intent, undue gain or prejudice to stakeholders, that it approached the authority Suo motu with corrective steps already taken, and has sought the minimum compounding fee for the offences under Sections 92, 102, 129(1), 134 and 448, as applicable.

Our Company has also filed a joint Suo motu application before the Adjudicating Officer (Registrar of Companies, Punjab and Chandigarh) under Section 454 of the Companies Act, 2013 read with the Companies (Adjudication of Penalties) Rules, 2014, admitting two inadvertent and technical defaults identified during an internal secretarial due diligence review and not pursuant to any notice, inspection or investigation. The first default relates to Section 10A: our Company commenced business activities before receiving the entire subscription money from the subscribers to the Memorandum, in contravention of Section 10A(1)(a) read with Rule 23A of the Companies (Incorporation) Rules, 2014, although Form INC-20A was duly filed. The default ran for 15 days, from February 1, 2022 to February 15, 2022, and was regularised on receipt of the full subscription money; it attracts a penalty of ₹ 50,000 on our Company and ₹ 1,000 per day on each officer-in-default, capped at ₹ 1,00,000 per officer, under Section 10A(2). The second default relates to Form PAS-3 filed on March 27, 2023 for a rights issue allotment under Section 62(1)(a), where the list of shareholders inadvertently recorded incorrect particulars of the shares allotted and the Board resolution and related documents wrongly cited Section 42 instead of Section 62(1)(a), attracting the residuary penalty under Section 450.

The applicants have pleaded that there was no mala fide intent, no prejudice to stakeholders and no undue gain, that the disclosure was voluntary and Suo motu and the defaults non-repetitive, and, as both defaults occurred while our Company was a private limited company and a small company, have sought relief under Section 446B of the Companies Act, 2013 capping the penalty at one-half of the amount otherwise specified. On that basis the indicative aggregate penalty is ₹ 1,25,000 on our Company and ₹ 75,000 on each officer-in-default. Our Company has confirmed that none of the business transactions entered into during the period from February 1, 2022 to February 15, 2022, being the period of the default under Section 10A of the Companies Act, 2013, carries any legal implication by reason of that default, and that no remedial action beyond the regularisation of the default upon receipt of the entire subscription money was required or has been undertaken.

Both applications are pending as on the date of this Draft Red Herring Prospectus.

2. LITIGATIONS INVOLVING THE SUBSIDIARY: NA*

Outstanding Litigations against the Subsidiary

1. Criminal Proceedings

Nil

2. Actions by Statutory/ Regulatory Authorities:

Nil

3. Other material pending proceedings

Nil

Outstanding Litigations by the Subsidiary

1. Criminal Proceedings

Nil

2. Other material pending proceedings

Nil

Our Company has no Subsidiary as on the date of filing of this Draft Red Herring Prospectus.

3. LITIGATIONS INVOLVING THE PROMOTERS OF THE COMPANY: NIL

Outstanding Litigations against the Promoters

1. Criminal Proceedings

Nil

2. Actions by Statutory/ Regulatory Authorities:

Nil

3. Other material pending proceedings

Nil

Outstanding Litigations by the Promoters

1. Criminal Proceedings

Nil

2. Other material pending proceedings

Nil

4. **LITIGATIONS INVOLVING DIRECTORS (OTHER THAN PROMOTERS): 1**

Outstanding Litigations against the Directors

1. Criminal Proceedings

Nil

2. Actions by Statutory/ Regulatory Authorities:

Nil

3. Other material pending proceedings

Ms. Madhu Bala (the "Petitioner") has instituted proceedings under Section 12 of the Protection of Women from Domestic Violence Act, 2005 against Ms. Megha Rani and Mr. Vikas Arora, an Independent Director of our Company, before the Court of the Judicial Magistrate First Class, Ludhiana. The petition was registered pursuant to an order dated February 6, 2026, by which the Court directed issuance of notice to the respondents upon the Petitioner filing the requisite process fee, registered cover acknowledgement due and supporting documents, and called for a report from the Child Development Project Officer.

By order dated April 17, 2026, counsel for Mr. Vikas Arora entered appearance and filed the power of attorney, and the Court granted time to file a reply to the main petition and the interim application. By order dated June 3, 2026, the Court recorded that the reply had not been filed and, on request, adjourned the matter to July 22, 2026 for that purpose. The matter is pending adjudication before Ms. Shilpa Singh, Judicial Magistrate First Class, Ludhiana.

The proceeding does not involve our Company, is not quantifiable in monetary terms and, in the opinion of our Board, would not materially and adversely affect the business, operations or financial position of our Company.

Outstanding Litigations by the Directors

1. Criminal Proceedings

Nil

2. Other material pending proceedings

Nil

5. LITIGATIONS RELATING TO THE GROUP ENTITIES: NIL

Outstanding Litigations against the Group Entities

1. Criminal Proceedings

Nil

2. Actions by Statutory/ Regulatory Authorities:

Nil

3. Other material pending proceedings

Nil

Outstanding Litigations by the Group Entities

1. Criminal Proceedings

Nil

2. Other material pending proceedings

Nil

Outstanding dues to Creditors

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due to such creditors are available on the website of our Company as at https://bhagyamachinetools.com/

Below are the details of the Creditors where outstanding amount as on March 31, 2026:

(₹ In Lakhs)

Particulars	No. of Creditors	Amount (In Lakhs)
Material Creditors[(1)(3)]	3	477.93
(A) Total Outstanding dues to Micro and Small & Medium Enterprises[(1)(2)]	27	693.49
(B) Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises[(1)]	5	104.38
A+B Total	**32**	**797.88**

As certified by Manoj K Goel & Associates, Chartered Accountants, the Statutory Auditors of our Company, pursuant to their certificate dated August 8, 2026.

Notes:
(1) Based on the policy on materiality as defined by the Board of Directors of the Company, details of creditors, including the number of creditors and the aggregate amount involved have been considered.
(2) Information on outstanding dues to micro, small and medium enterprises, if any, as well as other creditors, separately providing details of the number of cases and the aggregate amount involved, if any, has been disclosed.
(3) Complete details of outstanding overdue to material creditors, if any, including the name of each such material creditor and the amount involved, shall be disclosed on the website of the Company as at https://bhagyamachinetools.com/.

Material Developments

Except as disclosed in "Management Discussion & Analysis – Significant developments after March 31, 2026 that may affect our future results of operations" on page 169, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, any circumstances, which materially and adversely affect, or are likely to affect our trading or profitability of our Company or the value of our assets or our ability to pay our liabilities within the next 12 months.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

DISCLOSURES PERTAINING TO FRAUDULENT BORROWER

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

Other litigations involving any other entities which may have a material adverse effect on the Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offenses, tax liabilities, prosecution under any enactment in respect of the Companies Act, Show Cause Notices or Legal Notices pending against any company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.

If any of the above-mentioned litigations, material developments, or dues to creditors arise after the filing of this Draft Red Herring Prospectus, the Company shall incorporate the relevant facts appropriately in the Red Herring Prospectus and Prospectus. Except as disclosed above, there are no litigations, material developments, or dues to creditors requiring disclosure under the applicable provisions as on date of filing of this Draft Red Herring Prospectus.

DETAILS OF THE PAST PENALTIES IMPOSED ON THE COMPANY / DIRECTORS: NOT APPLICABLE

Change in Accounting Policies in the last three (3) years

Except as stated below, there has been no change in accounting policies in the last three (3) years. With effect from Fiscal 2025, liability for gratuity is recognised on the basis of an actuarial valuation carried out in accordance with AS-15 (Revised) "Employee Benefits", whereas it was hitherto recognised on a payment basis, and deferred tax is recognised in accordance with AS-22 "Accounting for Taxes on Income". The effect of these changes has been given in the Restated Financial Statements, and the corresponding restatement adjustments are set out in Annexure 5 – Statement of Adjustments to Audited Financial Statements.

The net worth of our Company, as restated, as at March 31, 2026 was ₹ 2,026.31 Lakhs.

We further confirm that except as stated hereinabove:

a) Our Company, its Promoters, and other companies with which the Promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken against them or either of them by SEBI.
b) There is no material regulatory or disciplinary action by a Stock Exchange or Regulatory Authority in the past years in respect of the Promoter of the Company, group company's entities, entities promoted by the Promoter of the Company.
c) Further, none of the Directors of the Company has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.
d) There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoter, group entities, companies promoted by the Promoter during the past three years except as under:
e) There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
f) There is no pending litigation against the Promoter/ Directors in their capacities and also involving the violation of statutory regulations or criminal offenses.
g) There are no pending proceedings initiated for economic offenses against the Directors, Promoter, Companies, and firms promoted by the Promoter.
h) There is no outstanding litigation, defaults, etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
i) There are no litigations against the Promoter / Directors in their capacity.
j) There are no criminal cases filed or any investigation being undertaken concerning the alleged commission of any offense by any of the Directors. Further, none of the Directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offenses, etc.

GOVERNMENT AND OTHER APPROVALS

In view of the licensees / permissions / approvals / no-objections / certifications / registrations, (collectively "Authorisations") listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled "***Key Regulation and Policies***" beginning on page 131 of this Draft Red Herring Prospectus.

I. Material approvals in relation to the Issue

Corporate approvals for this issue

a. The Board of Directors have, pursuant to resolutions passed at its meeting held on June 17, 2026 has approved the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.

b. The Shareholders have, pursuant to the resolution dated June 18, 2026, under section 62 (1) (c) of the Companies Act 2013, authorized the Issue

In-Principle Approval

The Company has obtained approval from BSE vide its letter dated [●] to use the name of BSE in this Offer Document for listing of equity shares on SME Platform of BSE Limited. BSE is the Designated Stock Exchange.

Agreements with NSDL and CDSL

- The Company has entered into an agreement dated December 19, 2025, with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Bigshare Services Private Limited , for the dematerialization of its shares.

- The Company has also entered into an agreement dated December 23, 2024, with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who, in this case, is Bigshare Services Private Limited, for the dematerialization of its shares.

- The Company's International Securities Identification Number (ISIN) is INE1F1201014.

II. Material approvals in relation to the Company

Material approvals in relation to incorporation

S. No.	Incorporation	Company Identification Number	Issued by	Issued on	Expiry Date
1	Original Certificate of Incorporation	U27320PB2021PTC054838	Registrar of Companies, Chandigarh	08/12/2021	Replaced by fresh Certificate of Incorporation issued consequent upon the conversion of Company into a public limited company
2	Fresh Certificate of Incorporation issued to Bhagya Steels upon its conversion from a private limited company to a public limited company	U27320PB2021PLC054838	Registrar of Companies, Chandigarh	05/09/2024	Replaced by fresh Certificate of Incorporation issued consequent upon the name change of Company.

3	Fresh Certificate of Incorporation issued to Bhagya Steels upon its Name change from Bhagya steels Limited to Bhagya Machine Tools Limited.	U27320PB2021PLC054838	Registrar of Companies, Chandigarh	27/11/2025	Till cancelled

Material approvals in relation to the business

S. No.	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1.	Udyam Registration Certificate	UDYAM-PB-12-0051821	Ministry of MSME, Govt. of India	03/01/2022	Till Cancelled
2.	Amendment Of Factory Licence to Work As Factory Under The Factories Act, 1948	LDH0FL6077	Directorate of Factories, Punjab (Department of Labour, Govt. of Punjab)	03/03/2026	31/12/2030
3.	Consent to Operate (Air)	CTO/Fresh/LDH2/2026/18763004	Punjab Pollution Control Board	12/02/2026	12/02/2028
4.	Consent to Operate (Water)	CTO/Fresh/LDH2/2026/18763006	Punjab Pollution Control Board	12/02/2026	12/02/2028
5.	Fire Safety Certificate (NOC)	1302-105980-Fire/81013	Punjab Fire Services (Ludhiana MC)	13/02/2026	13/02/2027
6.	ISO 9001:2015	QMS-26022802	IPQ Management System (accredited by UKAF CERT Limited)	28/02/2026	27/02/2029
7.	Shop and Establishment Licence	LDH/N06/00248433	Department of Labour, Government of Punjab	21/11/2024	Till Cancelled
8.	Legal Entity Identifier (LEI) Certificate	3358007I72EU43TH5C73	Legal Entity Identifier India Limited	02/03/2026	02/03/2027

Approval from tax authorities

S. No	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry
1	Permanent Account Number (PAN)	AAKCB3634Q	Income Tax Department, Government of India	Date of Incorporation	Till cancelled
2	Tax Deduction and Collection Account Number (TAN)	JLDB04276G	Income Tax Department, Government of India	Date of Incorporation	Till Cancelled
3	Importer Exporter Code (IEC)	AAKCB3634Q	DGFT, Ministry of Commerce	16/12/2023	Till Cancelled
4	Punjab State Development Tax	E30AAKCB3634Q	Department of Excise and Taxation, Punjab	25/11/2025	Till Cancelled
	Goods and Services Tax (GST) Registration Certificates issued in respect of different states:				
1	Punjab	03AAKCB3634Q1ZE	Excise and Taxation Department, Punjab	09/10/2024	Till Cancelled
2	Punjab	03AAKCB3634Q1DN	Excise and Taxation Department, Punjab	02/12/2024	Till Cancelled

Labour and Commercial Approvals

S. No	Nature of Registration/ License	Registration/ License No.	Issuing Authority	Date of issue	Date of Expiry

1	Employees' Provident Fund Registration**	LDLDH2532387000	EPFO, Ludhiana	08/12/2021	Till Cancelled
2	Employees' State Insurance Registration**	26000561170000503	ESIC, Ludhiana	08/12/2021	Till Cancelled

***Issued in the name of Bhagya steels Private Limited*

III. Material approvals applied for but not received:

Our Company has applied for the following amendment to a subsisting licence, which is pending as on the date of this Draft Red Herring Prospectus. Our Company has not applied for any fresh approval or licence that remains pending.

S. No.	Nature of Registration/ License	Application No.	Issuing Authority	Date of Application
1.	Amendment to Shop and Establishment Licence No. LDH/N06/00248433, consequent upon the change of name of our Company	2607875833	Department of Labour, Government of Punjab	July 28, 2026

The Shop and Establishment Licence bearing No. LDH/N06/00248433 issued on November 21, 2024 subsists; the application dated July 28, 2026 bearing Application No. 2607875833 has been made for its amendment consequent upon the change of name of our Company.

IV. Material approvals expired and renewal to be applied for-Nil

V. Material approvals required but not obtained or applied for-Nil

VI. Intellectual Property

Trademarks

S.No.	Trademark Image	Type of trademark	Class	Date of Application	Current Status	Application No.
1.	Bhagya Machine Tools	Wordmark	7	01/12/2025	Ready for Examination	7373788

Domains

Sr. No.	Domain Name	Registry Domain ID	Creation Date	Expiry Date
1	bhagyamachinetools.com	-	03/11/2025	03/11/2026

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of "group companies" in relation to the disclosure in **Offer Document**s, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the chapter titled "***Restated Financial Information***" beginning on Page 165 of this Draft Red Herring Prospectus.

Pursuant to a resolution passed by our Board dated June 17, 2026 for the purpose of disclosure in the **Offer Document**s for the Issue, a company shall be considered material and disclosed as "Group Company", if:

1) the investment in the form of equity or loan by the Company exceeds 10% of the net worth of the Company for the last audited financial year; or

2) the Company has entered into one or more transactions with such company in the last audited financial year cumulatively exceeding 10% of the total revenue of the Company for that audited financial year; or

3) Any other company/ entities that the Board may decide to consider material.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Board has not identified any company as a Group Company of our Company.

Group Companies of the Company: -

Sr. No.	Name of Group Company	Common Promoter	Shareholding/ Partnership in Group Co.
NIL			

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the offer and details of resolution passed for the issue

a. This Issue has been authorized by a resolution passed by our Board of Directors at its meeting held on June 17, 2026.
b. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on June 18, 2026, and authorised the Board to take decisions in relation to this Issue.
c. Our Board has approved this Draft Red Herring Prospectus through its resolution dated September 10, 2026.

Corporate Approvals

a. The Company has obtained approval from BSE vide its letter dated [●] to use the name of BSE in this Offer Document for listing of equity shares on SME Platform of BSE Limited. BSE is the Designated Stock Exchange.

b. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled "***Government and Other Approvals***" beginning on page number 191 of this Draft Red Herring Prospectus.

Authorisation by the selling shareholders

There are no selling shareholders and, consequently, no authorisations from any selling shareholders are applicable as on the date of this draft red herring prospectus.

Prohibition by SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Companies or the Director and Promoters of our Promoters Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as Promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Prohibition by RBI or Governmental Authority

Our Company, our Promoters or their relatives (as defined under the Companies Act) and Our Group Companies have confirmed that they have not been declared as wilful defaulters or fraudulent borrowers by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Neither our Company, nor our Promoters, nor our Directors have been identified as a wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority, nor has any of them been declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them.

Compliance with the companies (significant beneficial ownership) rules, 2018

Our Company, our Directors, our Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Directors Associated with the Securities Market

We confirm that none of our Directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as we are an issuer whose post-Issue paid-up capital is less than or equal to ten crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange, in this case being the

SME Platform of BSE Limited ("BSE SME"). Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

We confirm that:

a. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the BRLM to the Issue will underwrite at least 15% of the Total Issue Size. For further details, pertaining to said underwriting please refer to "General Information – Underwriting" on page 59 of this Draft Red Herring Prospectus.

b. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to 200, otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within four (4) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of four (4) Working Days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

c. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, our Book Running Lead Manager shall submit a copy of the Prospectus along with a due diligence certificate and the abridged prospectus, including additional confirmations as required, to SEBI at the time of filing the Prospectus with the Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, SEBI shall not issue any observation on the offer document.

d. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Book Running Lead Manager and the Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of the Equity Shares on the SME Platform of BSE Limited (BSE SME). For further details of the market making arrangement, please refer to the section titled "General Information" on page 51 of this Draft Red Herring Prospectus.

e. In accordance with Regulation 228 (a) of the SEBI (ICDR) Regulations, Neither the issuer, nor any of its Promoters, promoter group or directors are debarred from accessing the capital market by the Board;

f. In accordance with Regulation 228 (b) of the SEBI (ICDR) Regulations, none of the Promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;

g. In accordance with Regulation 228 (c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its Promoters or directors is a wilful defaulter or fraudulent borrower.

h. In accordance with Regulation 228 (d) of the SEBI (ICDR) Regulations, None of the Issuer's Promoters or directors is a fugitive economic offender.

i. In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, an application is being made to the SME Platform of BSE Limited ("BSE SME") and BSE SME is the Designated Stock Exchange.

j. In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.

k. In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity Share Capital is fully paid-up.

l. In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the Promoters are already in dematerialized form.

m. In accordance with Regulation 230(1)(h), none of the Objects of the Issue involves the repayment, whether direct or indirect, of any loan availed from our Promoters, the members of our Promoter Group or any related party.

n. In accordance with Regulation 228(e) of the SEBI (ICDR) Regulations, there are no outstanding convertible securities or any other right which would entitle any person with any option to receive Equity Shares of our Company, as on the date of filing of this Draft Red Herring Prospectus.

Eligibility Norms

<table>
<tr><th>Sr. No.</th><th>Particulars</th></tr>
<tr><td>1.</td><td>The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores. As on the date of this Draft Red Herring Prospectus, our Company has a total paid-up capital (face value) of ₹ 485.00 Lakhs comprising 48,50,000 Equity Shares of ₹ 10 each and the post-Issue paid-up capital (face value) will be ₹ [●] Lakhs comprising [●] Equity Shares, which is below ₹ 25 crores.</td></tr>
<tr><td>2.</td><td>Company has Net worth of at least ₹ 1 crore for 2 preceding full financial years. Our Company has a net worth, as restated, of ₹ 2,026.31 Lakhs as at March 31, 2026 and ₹ 828.31 Lakhs as at March 31, 2025. Note: Our Company was incorporated on December 08, 2021 under the Companies Act, 2013 with the Registrar of Companies, Chandigarh, and has therefore been in existence for a period of more than four years as on the date of filing of this Draft Red Herring Prospectus with BSE. The net worth computation is as per the definition given in the SEBI (ICDR) Regulations. The Company has received the net worth certificate dated August 8, 2026 from Manoj K Goel & Associates, Chartered Accountants.

(₹ In Lakhs)
<table>
<tr><th>Details</th><th>FY 2026</th><th>FY 2025</th><th>FY 2024</th></tr>
<tr><td>Paid-up share capital</td><td>485.00</td><td>100.00</td><td>100.00</td></tr>
<tr><td>All reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account,</td><td>1,541.31</td><td>728.31</td><td>226.59</td></tr>
<tr><td>The aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Net worth (A+B-C)</td><td>2,026.31</td><td>828.31</td><td>326.59</td></tr>
</table></td></tr>
<tr><td>3.</td><td>Company's Net Tangible Assets should be ₹ 3 crores in the last preceding (full) financial year. Our Company has net tangible assets, as restated, of ₹ 2,026.31 Lakhs as at March 31, 2026. Note: net tangible assets computation is as per the definition given in the SEBI (ICDR) Regulations. The Company has received the net tangible asset certificate dated August 8, 2026 from Manoj K Goel & Associates, Chartered Accountants.

(₹ In Lakhs)
<table>
<tr><th>Details</th><th>FY 2026</th></tr>
<tr><td>Net Worth, as restated</td><td>2,026.31</td></tr>
<tr><td>Less: Intangible Assets</td><td>-</td></tr>
<tr><td>Net Tangible Assets</td><td>2,026.31</td></tr>
</table></td></tr>
<tr><td>4.</td><td><u>The Issuer satisfies the exchange’s criteria of track record of 3 years:</u>

Our Company confirms that it has track record of more than 3 years.</td></tr>
<tr><td>5.</td><td>The company should have operating profit (earnings before interest, depreciation and tax) from operations for 2 out of the 3 latest financial years preceding the application date. As per the Restated Financial Information, our Company has operating profit (earnings before interest, depreciation and tax, excluding other income) from operations of ₹ 1,055.80 Lakhs for Fiscal 2026, ₹ 643.81 Lakhs for Fiscal 2025 and ₹ 267.34 Lakhs for Fiscal 2024, i.e. in all 3 financial years preceding the date of this Draft Red Herring Prospectus.

(₹ In Lakhs)
<table>
<tr><th>Financial Year</th><th>FY 2026</th><th>FY 2025</th><th>FY 2024</th></tr>
<tr><td>Profit Before Tax</td><td>992.34</td><td>605.78</td><td>248.95</td></tr>
<tr><td>Add: Depreciation</td><td>32.94</td><td>19.07</td><td>8.56</td></tr>
<tr><td>Add: Interest</td><td>30.55</td><td>19.03</td><td>11.40</td></tr>
<tr><td>Less: Other Income</td><td>0.02</td><td>0.07</td><td>1.57</td></tr>
<tr><td>Earnings before Interest, Depreciation and Tax</td><td>1,055.80</td><td>643.81</td><td>267.34</td></tr>
</table></td></tr>
<tr><td>6.</td><td>Leverage ratio of the company is not more than 3:1. Relaxation may be granted to finance companies. As per the Restated Financial Information, our Company has a leverage ratio (total debt / total shareholders' funds) of 0.14:1 as at March 31, 2026, computed as total debt of ₹ 287.18 Lakhs divided by total shareholders' funds of ₹ 2,026.31 Lakhs.</td></tr>
</table>

(₹ In Lakhs)

Details	As at March 31, 2026
Total Debt (A)	**287.18**
-Long Term Borrowings	39.79
-Short Term Borrowings	**247.39**
Total Shareholders Fund (B)	**2,026.31**
-Paid-up share capital	**485.00**
-Reserves and Surplus	**1,541.31**
Leverage ratio (A/B)	**0.14 : 1**

7. *Confirmation Regarding Regulatory Compliance and Trading Status*

- We hereby confirm that neither the promoters nor any of the companies promoted by the promoters have been subject to any regulatory action or suspension of trading by any stock exchange with nationwide trading terminals except as mentioned in the Draft Red Herring Prospectus.
- We confirm that neither the promoters nor the directors are involved as promoters or directors in any companies that have been compulsorily delisted by any stock exchange. Furthermore, there are no applicability or consequences of compulsory delisting attracted to the companies or individuals mentioned except as mentioned in the Draft Red Herring Prospectus.
- We confirm that neither the promoters nor the companies promoted by them are currently suspended from trading due to non-compliance with regulatory requirements except as mentioned in the Draft Red Herring Prospectus.
- We further confirm that none of the directors associated with any company that have been disqualified or debarred by any regulatory authority except as mentioned in the Draft Red Herring Prospectus.

8. *Pending defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.*

There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by our Company, promoters/ promoting company(ies), Subsidiary Companies except as mentioned in the Draft Red Herring Prospectus.

9. *Name change within last one year*

We confirm the name change within the last one year, at least 50% of the revenue calculated on a restated and consolidated basis for the preceding 1 full financial year has been earned by it from the activity indicated by its new name.

Other Requirements

Sr. No.	Particulars
1.	*The Issuer has a website. (Kindly note that the content placed on the website of the Issuer is in line with the Offer Document)* Our company website is https://bhagyamachinetools.com/ and we confirm that the information presented on our website is consistent with the details and disclosures provided in our Offer Document.
2.	*100% of the Promoter's shareholding in the Company should be in Dematerialized form.* The entire Equity Shares held by the Promoters have been dematerialized.
3.	*The Issuer has entered into an agreement with both depositories* Our Company has entered into an agreement dated December 23, 2024 with NSDL and agreement dated December 19, 2025 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be offered.
4.	*Change in the promoters of the company in preceding one year*

	There has been no change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under BSE SME segment. There has been no change in the promoter(s) having significant change in control over the affairs of the Company in the one year preceding the date of filing application to SME Platform of BSE Limited (BSE SME).
5.	*Composition of the Board* The composition of the board is in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.
6.	*The Company has not been referred to NCLT under IBC.* Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our Company and promoting companies.
7.	*Winding up petition against the company, which has been admitted by the court* There is no winding up petition against the company, which has been admitted by NCLT/ Court of competent jurisdiction or a liquidator has not been appointed.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the BSE SME.

We further confirm that no material clause of articles of association have been left out from disclosure having bearing on the IPO/ disclosures.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, SKI CAPITAL SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, SKI CAPITAL SERVICES LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, SKI CAPITAL SERVICES LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 10, 2026 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

Disclaimer statement from our Company and the Book Running Lead Manager

Our Company, its Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website https://bhagyamachinetools.com/and www.skicapital.net would be doing so at his or her own risk.

Caution

The BRLM accepts no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the BRLM shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc. The BRLM and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer In Respect of Jurisdiction

This Issue is being made in India to persons resident in India including Indian Nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakh, pension funds with minimum corpus of ₹2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for the Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Punjab only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

Eligibility and transfer restrictions

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer clause of BSE SME

BSE Limited (BSE) has vide its letter dated [●], given permission to ***"Bhagya Machine Tools Limited***" to use its name in the offer document as one of the stock exchange on whose Small and Medium Enterprises Platform ("SME platform") the company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner: -

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE, whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE / other regulatory authority. Any use of the SME platform and the related services are subject to Indian Laws and Courts exclusively situated in Mumbai.

Listing

Application will be made to BSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares on the SME Platform of BSE Limited (BSE SME). BSE Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE Limited has given its in-principle approval for using its name in our Offer Documents vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the Applicant in pursuance of the Draft Red Herring

Prospectus. If such money is not repaid within 4 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 4 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited (BSE SME) mentioned above are taken within three (3) Working Days from the Issue Closing Date. If the Equity Shares are not Allotted pursuant to the Issue within three (3) Working Days from the Issue Closing Date, or within such timeline as prescribed by SEBI, our Company shall repay with interest all monies received from the applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period, subject to applicable law.

Consents

Consent's in writing of:(a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) BRLM, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing Red Herring prospectus to ROC) and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consent's shall not be withdrawn at the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Auditors have given their written consent for the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with BSE.

Experts to the Issue

For details on experts to the issue, please refer to sections titled "***General Information- Experts Opinion***" on page 55 of this Draft Red Herring Prospectus.

Previous public or rights issues, if any, during the last five years

Our Company has not made any previous public issue since its incorporation and is an Unlisted Issuer in terms of the SEBI ICDR Regulations, and this Issue is an Initial Public Offering in terms of the SEBI ICDR Regulations. Our Company has allotted Equity Shares on a rights basis to its then existing shareholders on March 27, 2023, December 31, 2025 and January 23, 2026, and has allotted bonus shares on December 20, 2025. None of those allotments was an issue to the public. For details, see "Capital Structure" on page 63 of this Draft Red Herring Prospectus.

Particulars regarding capital issues by the company and listed group companies, subsidiaries or associate entity during the last three years

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013 has made any public issue or rights issue during the last three years.

Commission and brokerage paid on previous issues of the equity shares in the last five years

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Performance Vis-À-Vis Objects – Public/ Rights Issue of the Company

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding performance vis-à-vis objects is not applicable to us. Further, as on date of this Draft Red Herring Prospectus our Company has no listed corporate Promoters and no listed subsidiary company.

Performance Vis-À-Vis Objects – Public/Rights Issue Of Our Listed Subsidiaries/Promoters

Our company does not have any subsidiary company and our promoters are natural persons (individuals)

Price information of past issues handled by the book running lead managers

SKI Capital Services Limited

1. Price information on past issues handled by Lead Manager

S.no	Issuer Name	Issue Size (In lakhs)	Issue Price	Listing Date	Opening Price on listing	+/- change in closing price, [+/- change in benchmark]- 30th calendar day from listing		+/- change in closing price, [+/- change in benchmark]- 90th calendar day from listing		+/- change in closing price, [+/- change in benchmark]- 180th calendar day from listing	
1	Macobs Technologies Limited	1946.40	75	7/24/2024	96	99.13%	{3.39%}	94.67%	-{0.55%}	126.73%	-{2.46%}
2	TechEra Engineering (India) Limited	3589.63	82	10/3/2024	125	107.20%	-{0.25%}	140.06%	-{1.12%}	58.48%	-{15.99%}
3	Avax Apparels and Ornaments limited	191.80	70	1/14/2025	133	36.43%	-{6.48%}	84.00%	-{7.99%}	80.29%	{114.90%}
4	GB Logistics Commerce Limited	2506.75	92	1/31/2025	81.6	-52.50%	-{11.85%}	-51.03%	-{1.32%}	-43.15%	{114.94%}
5	Finbud Financial Services Limited	7168.16	142	11/13/2025	164.85	-1.69%	-{3.84%}	-14.51%	-{3.99%}	-14.40%	-{0.72%}
6	Madhur Knit Crafts Limited	5326.80	100	9/1/2026	100.00	-	-	-	-	-	-

2. Summary statement of price information of past issues handled by lead manager:

Financial Year	*Total No. of IPOs*	*Total Funds Raised (₹ in Lakhs.)*	*Nos. of IPO trading at discount as on 30th calendar day from listing date*			*Nos. of IPO trading at premium as on 30th calendar day from listing date*			*Nos. of IPO trading at discount as on 180th calendar day from listing date*			*Nos. of IPO trading at premium as on 180th calendar day from listing date*		
			Over 50%	*Between 25-50%*	*Less than 25%*	*Over 50%*	*Between 25-50%*	*Less than 25%*	*Over 50%*	*Between 25-50%*	*Less than 25%*	*Over 50%*	*Between 25-50%*	*Less than 25%*
FY 26-27	1	5326.80	-	-	-	-	-	-	-	-	-	-	-	-
FY25-26	1	7168.16	-	-	1	-	-	-	-	-	1	-	-	-
FY24-25	4	8234.58	1	-	-	2	1	-	-	1	-	3	-	-

Track record of past issues handled by the Book Running Lead Managers

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to the website of the Book Running Lead Manager at www.skicapital.net.

Stock market data of equity shares

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Issue is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

Mechanism for redressal of investor grievances

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/51 date April 20, 2021 and

SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 per day or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, Bid application number, number of Equity Shares Bid for, amount paid on Bid application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the Bidder, Bid application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company shall obtain authentication on the SCORES in compliance with SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013, SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 in relation to redressal of investor grievances through SCORES prior to filing of the Red Herring Prospectus/ Prospectus with the RoC.

OUR COMPANY HAS NOT RECEIVED ANY INVESTOR COMPLAINTS DURING THE PRECEDING THREE YEARS. ACCORDINGLY, THERE WERE NO INVESTOR COMPLAINTS DISPOSED OF OR PENDING AS ON THE DATE OF FILING THIS DRAFT OFFER DOCUMENT. FURTHER, AS OUR COMPANY HAS NO LISTED GROUP COMPANIES, THE REQUIREMENT TO DISCLOSE INVESTOR COMPLAINTS IN RESPECT OF THE FIVE LARGEST LISTED GROUP COMPANIES IS NOT APPLICABLE. THE QUESTION OF TIME TAKEN BY THE COMPANY FOR DISPOSAL OF INVESTOR GRIEVANCES DOES NOT ARISE.

We do not have any listed company under the same management.

Disposal of investor grievances by the company

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non- routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Tirlok Mohan as the Company Secretary and Compliance Officer and may be contacted at the following address:

Tirlok Mohan
Address: VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory,
Sub Tehsil Dehlon, Ludhiana, Punjab, India, 141206
Tel: +91 9092200302
E-mail: secretarial@bhagyamachinetools.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc*.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Other Confirmations

Change in auditors during the last three (3) years

Except as disclosed in "***General Information***" beginning on Page 51 of this Draft Red Herring Prospectus; there are no changes in the Auditors of the company during the last three years.

Capitalization of reserves or profits

Except as disclosed under "***Capital Structure***" beginning on page 63 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Outstanding convertible instruments

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

Partly paid-up shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Option to subscribe

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

Stock market data for our equity shares

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Issue is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

Previous issues of shares otherwise than for cash

Other than as detailed under chapter titled "***Capital Structure***" beginning on page 63 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Revaluation of assets

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

Tax implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the "Statement of Special Tax Benefits" beginning on page 96 of this Draft Red Herring Prospectus.

Purchase of property

Other than as disclosed in "***Our Business***" on page 109 of this Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.
- Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made thereunder.

Servicing behaviour

Except as stated in this Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in "***Our Management***" beginning on page 146 and "***Restated Financial Information***" beginning on page 165 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Post-issue reports

The BRLM shall submit a final post-issue report as specified in Form F of Schedule V of the SEBI (ICDR) 2018, within seven days of the date of finalization of basis if allotment or within seven days of refund of money in case of failure of issue.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act,2013 which is reproduced below:

"*Any person who:*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013.

The liability prescribed under Section 447 of the Companies Act, 2013, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount, if fraud involves an amount of at least ₹ 10 Lakhs or one percent of the turnover of the company, whichever is lower.

Provided that where fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable for an imprisonment for a term which may extend to five years or with a fine which may extend to fifty lakh rupees or with both.

Exemption from complying with provisions of securities laws

No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations with respect to the Issue.

SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note ("CAN"), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.

Please note that in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From December 1, 2023, the UPI Mechanism for Individual Investors applying through Designated Intermediaries was made effective along-with the existing process existing timeline of T+3 days.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid-cum Application forms. Investor may visit the official website of the concerned for any information on operational utilization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Terms of the specified securities not to be altered so as adversely to affect the interests of the holders, except with the written consent of holders of not less than three-fourths of that class or the sanction of a special resolution of that class.

Authority for the Issue

The present Public Offer of upto 20,80,000 Equity Shares of face value of ₹10/- each has been authorized by a resolution of the Board of Directors of our Company at their meeting held on June 17, 2026 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on June 18, 2026 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank Pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, "Main ***Provisions of Article of Association",*** beginning on page 265 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "Dividend ***Policy***" and "***Main Provisions of Article of Association***" beginning on page 164 and 255 respectively of this Draft Red Herring Prospectus.

Face Value and Issue Price

The face value of each Equity Share is ₹10.00 and the Issue Price at the lower end of the Price Band is ₹[●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹[●] per Equity Share ("Cap Price"). The Anchor Investor Issue Price is ₹ [●] per Equity Share.
The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the Book Running Lead Manager, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and Daily Suraj, a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the Book Running Lead Manager, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with SEBI (ICDR) Regulations, 2018

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

At any given point of time, there shall be only one denomination of Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

a) Right to receive dividend, if declared;
b) Right to receive Annual Reports and notices to members;
c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
d) Right to vote on a poll either in person or by proxy;
e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
g) Right of free transferability of the Equity Shares; and
h) Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "Main ***Provisions of the Articles of Association"*** beginning on page 255 of this Draft Red Herring Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being Issued can be applied for in the dematerialized form only. In this context, two agreements have been signed among our Company, the respective Depositories and Registrar to the Issue.

- • Tripartite Agreement dated December 23, 2024 between NSDL, the Company and the Registrar to the Issue;
- • Tripartite Agreement dated December 19, 2025 between CDSL, the Company and the Registrar to the Issue;

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by BSE Limited (SME platform of BSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares of face value of ₹10/each and is subject to a minimum allotment of [●] Equity Shares of face value of ₹10/- each to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Punjab, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Issue Program

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	on or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	on or about [●]
Credit of Equity Shares to Demat Accounts of Allottees	on or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange	on or about [●]

Note:

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

- *Our Company, in consultation with the Book Running Lead Manager, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI (ICDR) Regulations.*

- *UPI mandate end time and date shall be at 5.00 p.m. on Bid/Issue Closing Date.*

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.*

The above time table is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on BSE Limited is taken within Three Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will be required to submit reports of compliance with listing timelines and activities prescribed by the SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (Other than Bids from Anchor Investors) The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 4.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working

Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

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

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

Our Company in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares. In case of any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of one Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Manager and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum Subscription and Underwriting

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the "stated minimum amount" has not been subscribed and the sum payable on Bid cum application is not received within a period of 30 days from the date of Draft Red Herring Prospectus, the bid cum application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Offer Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond Two days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.
In terms of Regulation 272(2) of SEBI (ICDR) Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 200 (Two hundred).

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled "General Information – Underwriting" on page 59 of this Draft Red Herring Prospectus. Thus, the underwriting obligations shall be for the entire hundred percent of the Bid/Offer through this Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than two lots. Provided that minimum application size shall be above ₹2 lakhs. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025 to the extent applicable, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

As per Regulation 280(2) of the SEBI ICDR Regulation, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, where the post-issue paid up capital of the Company listed on SME is likely to increase beyond twenty-five crore rupees by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue, etc. the Company shall migrate its equity shares listed on SME platform to the Main Board and seek listing of the equity shares proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of equity shares laid down by the Main Board:

Provided that no further issue of capital shall be made unless –

a) the shareholders have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;

b) the Company has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it.

Provided further that where the post-issue paid-up capital pursuant to further issue of capital including by way of rights issue, preferential issue, bonus issue, is likely to increase beyond ₹25 crores, the Company may undertake further issuance of capital without migration from SME exchange to the main board, subject to the undertaking to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to companies listed on the main board of the stock exchange(s)."

If the Paid-up Capital of the company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

In continuation to Exchange Notice No. 20250820-10 dated August 20, 2025, and Media release dated February 23, 2026; BSE has amended its criteria for SME companies seeking migration to Main Board which is effective from March 1, 2026. Any company voluntarily desiring to migrate to the Main board from the SME Platform, amongst others, has to fulfil following conditions:

Sr. No.	***Details***	***Eligibility criteria for SME companies seeking migration to Main Board and for companies listed on other recognized stock exchanges seeking direct listing on Main Board***
1.	*Paid up capital*	*At least ₹ 10 crores.*
2.	*Market Capitalisation*	*Average of 6 months market capitalisation:* *Direct Listing: ₹ 1000 crores (on Main Board)* *SME Migration to Main Board: ₹ 100 crores* *OR* *Companies having revenue from operations of ₹ 100 crores or more for each of the immediately preceding 3 (three) full financial years.*
3.	*Market Liquidity*	*At least 5% of the weighted average number of equity shares listed should have been traded during such 6 (six) months' period* *Trading on at least 80% of days during such 6 (six) months period* *Minimum average daily turnover of ₹ 10 Lakhs and minimum daily turnover of ₹ 5 Lakhs during the 6 (six) month period.* *Minimum Average number of daily trades of 50 and minimum daily trades of 25 during the said 6 (six) months period.* *Note: for the purpose of calculating the average daily turnover and average number of daily trades, the aggregate of daily turnover and number of daily trades on the days the scrip has traded, shall be divided by the total number of trading days, respectively, during the said 6 (six) months period.* *OR* *Companies having revenue from operations of ₹ 100 crores or more for each of the immediately preceding3(three)full financial years.*

4.	*Operating Profit (EBIDTA)*	*Average of ₹ 15 crores on a restated consolidated basis, in preceding 3 (three) years (of 12 months each), with operating profit in each of these 3 (three) years, with a minimum of ₹ 10 crores in each of the said 3 (three) years in case of name change within the last one year, at least 50%. of the revenue, calculated on a restated and consolidated basis, for the preceding one full year has been earned by it from the activity indicated by its new name.*
5.	*Net worth*	*₹ 1 crore. -in each of the preceding 3 (three) full years (of twelve months each), calculated on a restated and consolidated basis;*
6.	*Net Tangible Assets*	*At least ₹ 3 crores, on a restated and consolidated basis, in each of the preceding 3 (three) full years (of 12 (twelve) months each), of which not more than 50%. are held in monetary assets:* *Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has utilised or made firm commitments to utilise such excess monetary assets in its business or project.*
7.	*Promoter holding*	*At least 20%at the time of making application. For this purpose, shareholding of promoter group may also be considered for any shortfall in meeting the said requirement.*

Note: The minimum promoter holding criterion shall not be applicable in case of diversified holdings or where there are no identifiable promoters, and the company is already listed on a recognized stock exchange with nationwide trading terminals and meeting all other eligibility criteria for migration or direct listing on the Main Board.

8.	*Lock In of promoter/ promoter group shares*	*6 (six) months from the date of listing on the BSE.* *Note: The lock-in criterion shall not apply to companies already listed on a recognized stock exchange with nationwide trading terminals and meeting all other eligibility criteria for migration or direct listing on the Main Board.*
9.	*Regulatory action*	*1. No SEBI debarment orders is continuing against the Company, any of its promoters, promoter group or directors or the any other company in which they are promoter/promoter group or directors.* *2. The company or any of its promoters or directors is not a wilful defaulter or a fraudulent borrower.* *3. Promoters or directors are not fugitive economic offender.* *4. The company is not admitted by NCLT for winding up or under IBC pursuant to CIRP.* *5. Not suspended from trading for non-compliance with SEBI (LODR) Regs or reasons other than for procedural reasons during the last 12 months.*
10.	*Promoter shareholding*	*100% in demat form.*
11.	*Compliance with LODR Regulations*	*3 (three) years track record with no pending non-compliance at the time of making the application.*
12.	*Track record in terms of Listing*	*Listed for at least 3 (three) years*
13.	*Public Shareholder*	*Minimum 1000 (one thousand) as per latest shareholding pattern*
14.	*Other Parameters*	*1. No pending Defaults w.r.t bonds/ debt instrument/ FD by company, promoters/promoter group /promoting company(ies), Subsidiary Companies.* *2. Certificate from CRA and /or Statutory auditors, in absence of CRA for utilization of IPO proceeds and further issues post listing on SME.* *3. Not under any surveillance measures/actions i.e. "ESM", "ASM", "GSM category" or T-to-T for surveillance reasons at the time of filing of application. 2 months cooling off from the date the security has come out of T-to-T category or date of graded surveillance action/measure.*
15.	*Score ID*	*No pending investor complaints on SCORES.*
16.	*Business Consistency*	*Same line of business for 3 (three) years at least 50% of the revenue from operations from such continued business activity.*

Note:

Audit Qualification Words and expressions used here: No audit qualification with regard to going concern or any material financial implication and such audit qualification is continuing at the time of application. Herein above shall have the same meaning as assigned to them in the Securities and Exchange.

Words and expressions used hereinabove shall have the same meaning as assigned to them in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations").

Market Making

The shares offered through this Issue are proposed to be listed on the SME Platform BSE Limited (BSE SME), wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME Platform BSE Limited (BSE SME).

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled "General Information" on page 51 of this Draft Red Herring Prospectus.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE Limited.

As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialized form. Further, as per the SEBI (ICDR) Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Issue.

Application by Eligible NRIs, FPIs, VCFs, AIFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed under section titled "Capital Structure" beginning on page 63 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "Main Provisions of the Articles of Association" beginning on page 255 of this Draft Red Herring Prospectus.

Pre-Issue and Price Band Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after filing the Red Herring Prospectus/ Prospectus with the RoC publish a pre-Issue and price band advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Manager, reserve the right not to proceed with the Issue after the Bid/ Issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-Issue and price band advertisements were published, within two days of the Bid/ Issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar of the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within three Working Days of the Issue Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Issue to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an Issue of the Equity Shares, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock Exchanges. The notice of withdrawal will be issued in the same newspapers where the pre-Issue and Price Band advertisements have appeared, and the Stock Exchanges will also be informed promptly.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

ISSUE STRUCTURE

*This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is less than or equal to ten crore rupees, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the BSE SME i.e. SME platform of BSE Limited). For further details regarding the salient features and terms of such an issue please refer chapter titled "**Terms of the Issue" and "Issue Procedure"** on page 207 and 222 of this Draft Red Herring Prospectus.*

Initial Public Issue of upto 20,80,000 Equity Shares of ₹10 each (the "Equity Shares") for cash at a price of ₹[●] per Equity Share (including a Share Premium of ₹[●] per Equity Share), aggregating up to ₹[●] Lakhs ("the Issue") by the issuer Company (the "Company").

The Issue comprises a reservation of upto [●] Equity Shares of ₹10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of upto [●] Equity Shares of ₹10 each ("the Net Issue"). The Issue and the Net Issue will constitute [●] % and [●] %, respectively of the post Issue paid up equity share capital of the Company.

The Issue is being made through the Book Building Process.

Particulars of the Issue	**Market Maker Reservation Portion**	**QIBs**	**Non-Institutional Applicants**	**Individual Investors**
Number of Equity Shares available for allotments/ allocation	[●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of offer Size available for allotments/ allocation	5% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidder However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue subject to the following: a) One-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than two and such lots equivalent to not more than ₹10 Lakhs; and b) Two-third of the portion available to Non-Institutional Bidders shall be reserved for the applicants with application size of more than ₹ 10 Lakhs. For details, see "*Issue Procedure*" beginning on page 222 of this Draft Red Herring Prospectus. Provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other subcategory of Non-Institutional Investors, subject to valid Bids being	Not less than 35% of the Net Issue

			received at or above the Issue Price.	
Basis of allotment/allocation if respective category is oversubscribed	Firm Allotment	Proportionate as follows: (excluding Anchor Investor Portion) a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. (c) Up to 60% of the QIB portion, aggregating up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which 40% of the Anchor Investor Portion shall be reserved in the following manner: (i) 33.33% shall be available for allocation to domestic Mutual Funds; and (ii) 6.67% shall be available for allocation to life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies, and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in (ii) above, the allocation may be made to domestic Mutual Funds. For further details, please refer to the section titled "Issue Procedure" beginning on page 222 of this Draft Red Herring Prospectus.	Proportionate	Proportionate

Minimum Application Size/ Bid	[●] Equity Shares	Such number of Equity Shares equivalent to more than two lots and in multiples of [●] Equity Shares.	Such number of Equity Shares equivalent to more than two lots and in multiples of [●] Equity Shares.	Such number of Equity Shares equivalent to two lots
Maximum Application Size/ Bid	[●] Equity Shares	Such number of Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares equivalent to two lots
Mode of Application/Bidding	Through ASBA Process Only	Through ASBA Process Only (Except for Anchor Investor)	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Bid Allotment	Firm allotment	More than 2 Lots.	More than 2 Lots.	2 Lots
Allotment Lot	Firm allotment	More than 2 Lots.	More than 2 Lots.	2 Lots
Trading Lot	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Mode of Allotment	Compulsorily in dematerialized form.			
Who can apply?	Market Maker	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹2500 Lakhs, pension fund with	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount exceed ₹2.00 Lakhs in value or 2 Lots.

		minimum corpus of ₹2500 Lakhs, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws including FEMA Rules.		
Terms of Payment	**In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. **In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids			

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time:

- Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, out of the Anchor Investor Portion, 40% shall be reserved, of which (i) 33.33% shall be available for allocation to domestic Mutual Funds and (ii) 6.67% shall be available for allocation to life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies, and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription under (ii) above, the allocation may be made to domestic Mutual Funds.
- In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post Issue Paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 253 of the SEBI (ICDR) Regulations.
- Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid-cum-Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.
- The Bids by FPIs with certain structures as described under "Issue Procedure" on pages 222 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.
- If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue and price band advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Bid/Issue Closing Date and subsequently decides to undertake a public Issue of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) filing of the Red Herring Prospectus/ Prospectus with ROC.

Issue Program

Events	Indicative Dates
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with Designated Stock Exchange	[●]
Initiation of Allotment/Refunds/Unblocking of funds from ASBA Account or UPI ID linked bank account	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Listing Date	[●]

Note:

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

Applications and any upward revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Bid-Cum Application Form. (except for the Bid/ Offer closing Date).

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:
a) A standard cut-off time of 4.00 P.M. for acceptance of applications.
b) A standard cut-off time of 5.00 P.M. for uploading of applications received from all bidders

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form visà-vis the data contained in the physical Bid-Cum Application form, for a particular applicant, the details as per physical Bid-Cum application form of that Applicant may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

The above time table is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on SME Platform of BSE Limited is taken within Three Working Days from the Issue Closing Date, the timetable may change due to

various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

ISSUE PROCEDURE

*All Applicants should review the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public Issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of Stock Exchange, the Company and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.*

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for individual investors applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public Issues, whichever is later ("UPI Phase II"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Individual Investors ("UPI Phase III"), as may be prescribed by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances. This circular is effective for initial public Issues opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public Issue (opening on or after May 1, 2022) whose application sizes are up to ₹ 500,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for listing of shares in public Issue from existing 6 working days to 3 working days from the date of the closure of the Issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public Issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Further, SEBI has, vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, reduced the time taken for listing of specified securities after the closure of a public Issue to three Working Days. Accordingly, the Issue will be made under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of BSE Limited ("BSE SME") to act as intermediaries for submitting Application Forms are provided on www.bsesme.com. For details on their designated branches for submitting Application Forms, please see the above-mentioned website of Platform of BSE Limited ("BSE SME"). Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be

subject to modification/change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus and Red Herring Prospectus. Further, the Company and the LM are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

The BRLM shall be the nodal entity for any issue arising out of public issuance process.

Further, our Company and the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public Issue closure to listing from six Working Days to up to three Working Days. The SEBI in its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, has reduced the time period for listing of equity shares pursuant to a public Issue from six Working Days to three Working Days. The timeline was applicable on a voluntary basis for public Issues opening on or after September 1, 2023 and has been made applicable on a mandatory basis for public Issues opening on or after December 1, 2023. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public Issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIIs had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing continued to be six Working Days.

Phase II: This phase became applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public Issues, whichever was later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing continued to be six Working Days during this phase.

SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, prescribed that all individual bidders applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Phase III: This phase has become applicable on a voluntary basis for all Issues opening on or after September 1, 2023 and on a mandatory basis for all Issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification") . In this phase, the time duration from public Issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI

from time to time, including any circular, clarification or notification which may be issued by SEBI. The Issue is being made under Phase III of the UPI (on a mandatory basis). The processing fees for applications made by UPI Bidders may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law.

All SCSBs offering facility of making application in public Issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the BRLM will be required to compensate the concerned investor.

PART A

Book Building Procedure

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "SCRR") read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue Paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations, However, with effect from December 1, 2025, pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, 40% of the Anchor Investor Portion shall be reserved for, (i) 33.33% shall be available for allocation to domestic Mutual Funds and (ii) 6.67% shall be available for allocation to life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies, and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription under (ii) above, the allocation may be made to domestic Mutual Funds. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors (of which one third of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; and two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹10 lakhs) and not less than 35% of the Issue shall be available for allocation to Individual Investors in accordance with the SEBI (ICDR) Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the ASBA process providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable.

Bidder must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the Central Board of Direct Taxes dated February 13, 2020, read with press releases dated June 25, 2021, and September 17, 2021 and March 30, 2022, read with press release dated March 28, 2023. Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN, and UPI ID, for UPI Bidders Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to compliance with Applicable Law.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) including a QR code and link to access the Red Herring Prospectus, the Abridged Prospectus and the Pre-Issue & Price Band Advertisement will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the BSE, https://d.docs.live.net/DE82A7E0600CAA83/Documents/www.nseindia.comat least one day prior to the Bid/Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Manager. All Bidders

(other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the Individual Investors using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

i. Individual Investors (other than the Individual Investors using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
ii. Individual Investors using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Anchor Investors are not permitted to participate in the Issue through the ASBA process

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the Book Running Lead Manager. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. IBs Bidding in the Individual Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. IBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to the bidders, SCBS are required to send SMS alerts to investors intimating them about Bid Amounts blocked/unblocked.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	**Colour of Application Form***
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

• Excluding Electronic Bid cum Application Form
** Electronic Bid Cum Application Forms will also be available for download on the website of the BSE (www.bseindia.com).*
*** Bid cum application for Anchor Investor shall be made available at the Office of the Book Running Lead Manager.*

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by Individual Investors (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries").

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Individual investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:	After accepting the Bid Cum Application Form, the respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of the stock exchange. Stock exchange shall share application details including the UPI ID with the sponsor bank on a continuous basis, to enable the sponsor bank to initiate mandate requests on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor to accept a mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re- submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

Availability of Draft Red Herring Prospectus and Bid Cum Application Forms

Copies of the Bid cum Application Form including a QR code and link to access the Red Herring Prospectus, the Abridged Prospectus and the Pre-Issue & Price Band Advertisement will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE Limited (www.bseindia.com) at least one day prior to the Bid/Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the Book Running Lead Manager.

Who can Bid?
Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies.

Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian national's resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);

2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: -Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;

3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

4. Mutual Funds registered with SEBI;

5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;

6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);

7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI; h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares; i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidders category;

8. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;

9. Foreign Venture Capital Investors registered with the SEBI; l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;

10. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

11. Insurance Companies registered with Insurance Regulatory and Development Authority, India;

12. Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;

13. Pension Funds and Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;

14. National Investment Fund set up by Resolution No. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;

15. Multilateral and bilateral development financial institution;

16. Eligible QFIs;

17. Insurance funds set up and managed by army, navy or air force of the Union of India;

18. Insurance funds set up and managed by the Department of Posts, India;

19. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except through their Guardians)
2. Foreign Nationals (except NRIs)
3. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Individual Bidders

The Application must be for a minimum of two lots. In case of revision of Applications, the Individual Bidders have to ensure that the Application amount exceeds Rs 2,00,000 as applicable. The Application must be for a minimum application size of two lots and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder exceeds ₹ 2,00,000. In case of revision of Applications, the Individual Bidders have to ensure only upward revision and they shall not withdraw or lower their bids.

2. For Other than Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for more than two lots and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure upward revision and that the Application is for more than two lots for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

METHOD OF BIDDING PROCESS

Our Company in consultation with the Book Running Lead Manager will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and Regional newspaper Daily Suraj where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The Book Running Lead Manager and the SCSBs shall accept Bids from the Bidders during the Bid/ Issue Period.

1. The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in all editions of the English national newspaper Financial Express, all editions of Hindi national newspaper Jansatta and Regional newspaper Daily Suraj where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.

2. During the Bid/ Issue Period, Individual Bidders, should approach the Book Running Lead Manager or their authorized agents to register their Bids. The Book Running Lead Manager shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Draft Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the Book Running Lead Manager (for the Bids to be submitted in the Specified Cities) to register their Bids.

3. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

4. The Bidder/ Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a Book Running Lead Manager or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another Book Running Lead Manager or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Buildup of the Book and Revision of Bids".

5. Except in relation to the Bids received from the Anchor Investors, the Book Running Lead Manager /the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

6. The Book Running Lead Manager shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one working day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

7. Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in "Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" in the section "Issue Procedure" beginning on page 222 of this Draft Red Herring Prospectus.

8. Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.

9. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.

10. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

11. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

1. Our Company in consultation with the Book Running Lead Manager, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

2. Our Company in consultation with the Book Running Lead Manager, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

3. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price.

4. The price of the specified securities Issued to an anchor investor shall not be lower than the price Issued to other applicants.

Participation by Associates /Affiliates of Book Running Lead Manager and the Syndicate Members

The Book Running Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their market making and underwriting obligations. However, the associates and affiliates of the Book Running Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the Book Running Lead Manager nor any persons related to the Book Running Lead Manager (other than Mutual Funds sponsored by entities related to the Book Running Lead Manager), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

Option to Subscribe in the Issue

1. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.

2. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

3. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Bidders

a) Our Company and the Book Running Lead Manager shall declare the Bid/ Issue Opening Date and Bid/ Issue Closing Date in the Red Herring Prospectus to be file with the ROC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper in Punjab where the registered office is situated with wide circulation. This advertisement shall be in prescribed format.

b) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/ Issue Opening Date.

c) Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.

d) Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.

e) Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.

f) Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.

g) The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.

h) Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSBs or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.

i) Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

j) The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

BIDS BY ANCHOR INVESTORS:

Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1) (ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

1. Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the Book Running Lead Manager.

2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 lakhs. However, with effect from December 1, 2025, pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025, 40% of the Anchor Investor Portion shall be reserved for, (i) 33.33% shall be available for allocation to domestic Mutual Funds and (ii) 6.67% shall be available for allocation to life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies, and pension funds at or above the Anchor Investor Allocation Price. In the event of under-subscription under (ii) above, the allocation may be made to domestic Mutual Funds. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion (other than the Anchor Investor Portion) ("Net QIB Portion").

3. Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.

4. Our Company in consultation with the Book Running Lead Manager, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

   a) where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors.
   b) where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
   c) where the allocation under the Anchor Investor portion is more than ₹2500.00 Lakhs:(i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.

5. Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the Book Running Lead Manager before the Bid/Issue Opening Date, through intimation to the Stock Exchange.

6. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

7. If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

8. At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.

9. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

10. The Book Running Lead Manager, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the Book Running Lead Manager) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the Book Running Lead Manager and made available as part of the records of the Book Running Lead Manager for inspection by SEBI.

11. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

12. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

BIDS BY ELIGIBLE NRIs:

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Book Running Lead Manager and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

• Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

• Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non- Residents (blue in colour).

BIDS BY FPI INCLUDING FIIs:

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of

FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

BIDS BY SEBI REGISTERED VCFs, AIFs AND FVCIs:

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and

AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY HUFs:

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

BIDS BY MUTUAL FUNDS:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid- up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES:

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

BIDS BY LIMITED LIABILITY PARTNERSHIPS:

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES:

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

1. equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

2. the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

3. the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY:

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.

e) Our Company in consultation with the Book Running Lead Manager in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the Book Running Lead Manager may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised

to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS / PENSION FUNDS:

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY:

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016,

is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSBs:

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public Issues and clear demarcated funds should be available in such account for such Bid cum applications.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended, 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, such Equity Shares are being offered and sold outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company, the Promoter and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, or as will be specified in the Red Herring Prospectus/Prospectus

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:

- Upon approval of the basis of allotment by the Designated Stock Exchange, the Book Running Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.

- The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

Terms of payment

The entire Issue price of ₹[●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, none of the Bidders shall either withdraw or lower the size of their applications at any stage. In the event of rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Anchor Investors: “Bhagya Machine Tools Limited – Anchor Account – R”
- In case of Non-Resident Anchor Investors: “Bhagya Machine Tools Limited – Anchor Account – NR”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.

2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 4.00 p.m. of the Issue Closing Date.

3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
   a) the applications accepted by them,
   b) the applications uploaded by them,
   c) the applications accepted but not uploaded by them or
   d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
   - The applications accepted by any Designated Intermediaries
   - The applications uploaded by any Designated Intermediaries or
   - The applications accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:

• Name of the Bidder;
• IPO Name;

• Bid Cum Application Form Number;
• Investor Category;
• PAN (of First Bidder, if more than one Bidder);
• DP ID of the demat account of the Bidder;
• Client Identification Number of the demat account of the Bidder;
• Number of Equity Shares Applied for;
• Bank Account details;
• Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
• Bank account number.

8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the abovementioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.

9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

11. In case of Non-Institutional Bidders and Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the Book Running Lead Manager at the end of the Bid/ Issue Period.

b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

Withdrawal of Bids

Pursuant to NSE Circular No. NSE/IPO/68604 and BSE Notice No. 20250618-11 dated June 18, 2025, All categories of Bidders, including Individual Investors, Qualified Institutional Buyers (QIBs), and Non-Institutional Investors (NIIs), shall not be permitted to withdraw or make downward revision their Bids once submitted. Downward modification and cancellation of Bids are not applicable under the revised bidding process.

Accordingly, unblocking funds from the ASBA Account shall only be done by the Registrar to the Issue by giving necessary instructions to the Self-Certified Syndicate Bank (SCSB) on the Designated Date in case of non-allotment, technical rejection, or partial allotment.

Price Discovery and Allocation

1. Based on the demand generated at various price levels, our Company in consultation with the Book Running Lead Manager, shall finalise the Issue Price and the Anchor Investor Issue Price.

2. The SEBI (ICDR) Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.

3. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the Book Running Lead Manager and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

4. In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

5. In case if the Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

6. Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the Book Running Lead Manager, subject to compliance with the SEBI Regulations.

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

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the Book Running Lead Manager, may finalise the Issue Price at or below ₹22.00.

Signing of Underwriting Agreement and Filing of Red Herring Prospectus/ Prospectus with RoC

a) Our company has entered into an Underwriting Agreement dated [●].

b) A copy of Red Herring Prospectus will be filed with the RoC and copy of Prospectus will be filed with RoC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

Pre-Issue and Price Band Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after filing the Red Herring Prospectus with the ROC, publish a pre-Issue and Price band advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue and Price band advertisement, we shall state the Bid Opening Date and the Bid/Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI (ICDR) Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:

Our Company will issue a statutory advertisement after the filing of the Red Herring Prospectus/ Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS:

Please note that any of the bidders are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

Do's:

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;

6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;

8. QIBs, Non-Institutional Bidders and the Individual Investor should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, Individual Investor may submit their bid by using UPI mechanism for payment.

9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by Individual Investor using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that the Demographic Details are updated, true and correct in all respects;

15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

17.Ensure that the category and the investor status is indicated;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;

22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;

23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;

24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;

25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and the Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

7. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not Bid for a Bid Amount for less than ₹ 2,00,000/- (for Applications by Individual Bidders);

9. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

10. Do not submit the General Index Register number instead of the PAN;

11. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;

12. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;

13. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

15. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Other instructions for the Bidders

Joint Bids

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

Multiple Bids

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Investor Grievance

In case of any pre-Issue or post Issue related problems regarding demat credit/ refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.51146

Nomination Facility to Bidders

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

Submission of Bids

a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.

b) The Bidders may instruct the SCSBs to block Bid Amount based on the Bid Price Less Discount (if applicable).

c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the Draft Red Herring Prospectus.

Bid/Issue Closing Date

• Bidding for all Categories on the last day shall close at 4:00 PM.

• UPI Mandate Acceptance/ Confirmation shall be available upto 5:00 PM on the last day of bidding.

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. IST.

•On the Bid/Issue Closing Date, the Bids shall be uploaded until 4.00 p.m. IST for all categories of Bidders, or such extended time as may be permitted by the Stock Exchange.

• until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

GROUNDS OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:
• Amount blocked does not tally with the amount payable for the Equity Shares applied for;

• In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

• Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

• PAN not mentioned in the Bid cum Application Form;

• Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;

• GIR number furnished instead of PAN;

• Bid for lower number of Equity Shares than specified for that category of investors;

• Bids for number of Equity Shares which are not in multiples as specified in the Red Herring Prospectus;

• The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

• Bids for lower number of Equity Shares than the minimum specified for that category of investors;

• Category not ticked;

• Multiple Bids as defined in the Draft Red Herring Prospectus;

• In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;

• Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;

• Signature of sole Bidder is missing;

• Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;

• In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;

• Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

• Bid by OCBs;

• Bids by US persons other than reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;

• Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;

• Bids not uploaded on the terminals of the Stock Exchanges;

• Where no confirmation is received from SCSB for blocking of funds;

• Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;

• Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;

• Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;

• Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

• Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and

• Details of ASBA Account not provided in the Bid cum Application form and for details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.

b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the Book Running Lead Manager and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Individual Investors who applies for minimum application size, noninstitutional investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Draft Red Herring Prospectus. No Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue.

If the issuer does not receive the minimum subscription of ninety per cent. of the offer through offer document (except in case of an offer for sale of specified securities) on the date of closure of the Offer, or if the subscription level falls below ninety per cent. after the closure of Offer after technical rejections, or if the listing or trading permission is not obtained from the stock exchanges for the securities so offered under the offer document, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent. per annum.

BASIS OF ALLOTMENT

a. For Individual Bidders

Bids received from the Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares of face value of ₹10/- each at or above the Issue Price, the Allotment shall be made by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares allocated. In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE SME (The Designated Stock Exchange).

b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price. The allotment of specified securities to each non-institutional investor shall not be less than the minimum application size in the non-institutional investor category, and the remaining shares, if any, shall be allotted on proportionate basis.

The Issue size less Allotment to QIBs and Individual Investors shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of ₹10/- each at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares of face value of ₹10/- each at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of ₹10/each and in multiples of [●] Equity Shares of face value of ₹10/- each thereafter. The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

a. The number of Equity Shares to be allocated to the successful Bidders in a particular category shall be determined.

b. The successful Bidders, from amongst all valid Bidders in that category, shall be determined by a draw of lots, such that the total number of Equity Shares allotted in that category equals the number of Equity Shares allocated.

c. If the proportionate allotment to any Bidder results in a number that is not a multiple of [●] Equity Shares of face value ₹10/- each, the number of Equity Shares allotted shall be rounded off to the nearest multiple of [●] Equity Shares of face value ₹10/- each, subject to a minimum allotment of [●] Equity Shares of face value ₹10/- each.

If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares of face value of ₹10/- each, results in the actual allotment being higher than the shares Issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.

c. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI (ICDR) Regulations or Red Herring Prospectus / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

a) In the first instance allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:

• In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.

• In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

• Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

b) In the second instance Allotment to all QIBs shall be determined as follows:

• In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall

• be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares of face value of ₹10/- each and in multiples of [●] Equity Shares of face value of ₹10/- each thereafter for [●] % of the QIB Portion.

• Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares of face value of ₹10/- each and in multiples of [●] Equity Shares of face value of ₹10/- each thereafter, along with other QIB Bidders.

• Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares of face value of ₹10/- each.

d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the Book Running Lead Manager, subject to compliance with the following requirements: i) not more than 60% of the QIB Portion will be allocated to Anchor Investors; ii) 40% of the Anchor Investor Portion shall be reserved for, (i) 33.33% shall be available for allocation to domestic Mutual Funds; and (ii) 6.67% shall be available for allocation to life insurance companies and pension funds, subject to valid Bids being received from domestic Mutual Funds, life insurance companies, and pension funds at or above the Anchor Investor Allocation Price.; and iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

• a maximum number of two Anchor Investors for allocation up to ₹ 2 crores;

• a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crore per such Anchor Investor; and

• in case of allocation above ₹ 25 crores; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to ₹ 25 crores and an additional 10 such investors for every additional ₹ 25 crores or part thereof, shall be permitted, subject to a minimum allotment of ₹ 1 crore per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the Book Running Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

a) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

b) In the event the Issue Price is lower than the Anchor Investor Allocation Price:

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

Individual Investor' means an investor who applies for minimum two lots -Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE.

The Authorised Officer of BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

Flow of Events from the closure of Bidding period (T DAY) Till Allotment:

• On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
• RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
• Third party confirmation of applications to be completed by SCSBs on T+1 day.
• RTA prepares the list of final rejections and circulates the rejections list with BRLM(s)/ Company for their review/ comments.
• Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
• The DSE, post verification approves the basis and generates drawl of lots wherever applicable, through a random number generation software.
• The RTA uploads the drawl numbers in their system and generates the final list of allottees as per process mentioned below:

Process for generating list of allottees: -

• Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawl of lots provided by DSE is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
• In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
• In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
• On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

Issuance of Allotment Advice

1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.
3) The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
4) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful

Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

Designated Date:

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Bid/Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

Instructions for Completing the Bid Cum Application Form

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public Issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com. http://www.bseindia.com/With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com.

Bidder's Depository Account and Bank Details

Please note that, providing bank account details, PAN No, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

a) 1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;

b) 2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2(two) working days of the Issue Closing Date, would be ensured; and

c) 3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

Right to Reject Applications

In case of QIB Bidders, the Company in consultation with the Book Running Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below :

"Any person who-

- *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for its securities; or*
- *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years) Further, where the fraud involves an amount less than ₹ 10/- Lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

Undertakings by Our Company

We undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;

2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within three working days from Issue Closure date.

3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;

4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within two Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

5. That our Promoter's contribution in full has already been brought in;

6. That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, undersubscription etc.;

7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;

8. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue and price band advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;

9. If our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;

10. If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;

2. Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;

3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

4. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

5. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

• Tripartite Agreement dated December 23, 2024 between NSDL, the Company and the Registrar to the Issue;

• Tripartite Agreement dated December 19, 2025 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN: INE2SO401011

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RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment In India (updated up to March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia; the pricing guidelines prescribed under the Master Circular and Master Direction.

The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company. Investment conditions/restrictions for overseas entities Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment up to aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

Investment by FPIs under Portfolio Investment Scheme (PIS)

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as

applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

Investment by NRI or OCI on repatriation basis

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Investment by NRI or OCI on non-repatriation basis

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by an NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. 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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus.
Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

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SECTION IX - MAIN PROVISIONS OF OUR ARTICLE OF ASSOCIATION

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF THE
BHAGYA MACHINE TOOLS LIMITED

Interpretation

I (1) In these regulations --
(a) "the Act" means the Companies Act, 2013,
(b) "the seal" means the common seal of the company.
(2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

Public Company

"public company" means a company which—
(a) is not a private company [and];
(b) has a minimum paid-up share capital as may be prescribed:
Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles ;

Share capital and variation of rights

II 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, --
(a) one certificate for all his shares without payment of any charges; or
(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking Pari passu therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

9. (i) The company shall have a first and paramount lien --
(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:
Provided that no sale shall be made --
(a) unless a sum in respect of which the lien exists is presently payable; or
(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board --
(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register --
(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(b) any transfer of shares on which the company has a lien.

21. The Board may decline to recognise any instrument of transfer unless --
(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(c) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares
(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either --
(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.
(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

    Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall --
    (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
    (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
    (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
    (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

    (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

    (iii) The transferee shall thereupon be registered as the holder of the share; and

    (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution, --

    (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
    (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
    (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock, --

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, --
(a) its share capital;
(b) any capital redemption reserve account; or
(c) any share premium account.

Capitalisation of profits

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve --

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards --
(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall --
(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
(b) generally, do all acts and things required to give effect thereto.

(ii) The Board shall have power --
(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so, directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares, --
(a) on a show of hands, every member present in person shall have one vote; and
(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The first Directors of the Company shall be :-
1. CHARANJIT KAUR
2. JAGDEV SINGH

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them
(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
(b) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

70. (i) A committee may elect a Chairperson of its meetings.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

71. (i) A committee may meet and adjourn as it thinks fit.
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

74. Subject to the provisions of the Act, --

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer

75. A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

76. (i) The Board shall provide for the safe custody of the seal.
(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve

80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the company.

Accounts

86. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder --

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Others

89. To borrow from any state financial corporations, Banks, companies firms or other financial institutions any terms loan or other sums on such security and other charges as stipulated by the financial corporation or Banks with mortgage on all or any of property of the Company whether present or future or both.

90. To borrow and lend from/to body corporate / s, but as per the provisions applicable from time to time, with necessary approvals required.

***The name change of the company from Bhagya Steels Limited to Bhagya Machine Tools Limited vide special resolution passed at the Extra-Ordinary General Meeting of the Company held on 17th November, 2025.*

**The conversion of the company from Private Limited to Public Limited vide special resolution passed at the Extra-Ordinary General Meeting of the Company held on 24th July, 2024.*

SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which have been entered or are to be entered into by our Company which are, or may be, deemed material, will be attached to the copy of this Draft Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office: VPO Paddi, Hadbast No. 254, Near Radhe Sham Pataka Factory, Sub Tehsil Dehlon, Ludhiana, Ludhiana, Punjab, India, 141206, between 10 a.m. to 5 p.m. on all Working Days from date of this Draft Red Herring Prospectus until the Bid/ Issue Closing Date.

The copies of the contracts and documents for inspection referred to hereunder will be uploaded on the website of our Company at https://bhagyamachinetools.com/ and will be available for inspection from the date of the Red Herring Prospectus until the Bid/ Issue Closing Date (except for such agreements executed after the Bid/ Issue Closing Date).

MATERIAL CONTRACTS

1. Issue Agreement dated July 04, 2026, between our Company and the Book Running Lead Manager.
2. Agreement dated July 09, 2026, between our Company and the Registrar to the Issue.
3. Public Issue Agreement dated [●] among our Company, the Book Running Lead Manager, The Banker to the Issue/Public Issue Bank/Sponsor Bank, and the Registrar to the Issue.
4. Underwriting Agreement dated [●] between our Company and the Underwriters.
5. Market making Agreement dated [●] between our Company, the Book Running Lead Manager and the Market Maker.
6. Tripartite Agreement dated December 23, 2024 between NSDL, our Company and Registrar to the Issue; and
7. Tripartite Agreement dated December 19, 2025 between CDSL, our Company and Registrar to the Issue.

MATERIAL DOCUMENTS FOR THE ISSUE

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolution of the Board of Directors dated June 17, 2026 in relation to the Issue and other related matters.
3. Shareholders' special resolution dated June 18, 2026 passed at the Extra-Ordinary General Meeting in relation to the Issue and other related matters.
4. Consents of entities related to the issue to act in their respective capacities and be named in the Offer Document.
5. Examination report dated August 8, 2026 of Meenakshi Gujral & Co., Chartered Accountants, the Peer Reviewed Auditors of our Company, on the Restated Financial Information of our Company for the financial years ended March 31, 2026, March 31, 2025 and March 31, 2024, together with the Restated Financial Information.
6. The report dated August 8, 2026 from Meenakshi Gujral & Co., Chartered Accountants, the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Special Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Red Herring Prospectus.
7. The Statement of Financial Indebtedness of our Company dated August 8, 2026 from Manoj K Goel & Associates, Chartered Accountants, the Statutory Auditors of our Company, as disclosed in this Draft Red Herring Prospectus.
8. Legal Due Diligence Report dated August 27, 2026 issued by Simran Sodhi, Advocate, the Legal Advisor to the Company, confirming the status of outstanding litigation and material developments.
9. Secretarial Due Diligence Report dated August 27, 2026 issued by G Gupta & Associates, Company Secretaries.
10. Due Diligence Certificate from Book Running Lead Manager dated September 10, 2026 addressing BSE
11. Copy of approval from BSE vide letter dated [●] to use the name of BSE SME in this offer document for listing of Equity Shares on the SME Platform of BSE Limited.
12. The site visit Report from Book Running Lead Manager dated June 10,2026.
13. The Cost Vetting Report dated September 09, 2026 by Infomerics Analytics and Research Private Limited.
14. Consolidated certificate dated August 8, 2026 from Manoj K Goel & Associates, Chartered Accountants, the Statutory Auditors of our Company, covering the cost of acquisition of Equity Shares by the Promoters, including the average and weighted average cost of acquisition; corporate governance compliance; the ratios forming the basis for the Issue Price, including EPS, RoNW, NAV and key financial and operational performance indicators; weighted average cost of acquisition based on primary and secondary share transactions; compliance with the rejection criteria under the SEBI General Order, 2012; statutory obligations, statutory dues and GST filings; build-up of share capital; material developments and frauds; dividends declared by the Company; Group Companies, related party matters, common pursuits and litigation relating thereto; insurance coverage; sources and deployment of funds; and compliance with the eligibility norms under the SEBI ICDR Regulations and the applicable listing criteria of BSE.

15. Consolidated Peer Review Auditor Certificate dated August 8, 2026 from Meenakshi Gujral & Co., Chartered Accountants, covering the validity of the Peer Review Certificate and eligibility to certify financial information under the SEBI ICDR Regulations; related party transactions, including their disclosure, legitimacy, arm's-length nature and requisite approvals; outstanding dues to creditors, including dues to micro and small enterprises, other creditors and material creditors; utilisation of loans, including the purpose and utilisation of borrowings, outstanding amounts, proposed repayment from Issue proceeds, interest rates and repayment/default and rescheduling status; and changes in the accounting policies of the Company during the preceding three financial years.
16. Chartered Engineer's Certificate for Capacity Utilisation bearing No. GGL/9/2026-27 dated August 10, 2026 issued by Er. Gourav Gupta, Chartered Engineer (Membership No. M-116012, Institution of Engineers (India)).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by other parties, without reference to the shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions under the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of our Company				
Sr. No.	**Name of Director**	**Category**	**Designation**	**Signature**
1.	Jagdev Singh	Executive	Managing Director	Sd/-
2.	Jasdil Singh	Executive	Whole-Time Director	Sd/-
3.	Amandeep Arora	Non-Executive	Independent Director	Sd/-
4.	Vikas Arora	Non-Executive	Independent Director	Sd/-
5.	Baljeet Kaur	Non-Executive	Director	Sd/-

Signed by the Key Managerial Personnel of our Company				
Sr. No.	**Name of KMP**	**Category**	**Designation**	**Signature**
1.	Rajesh Singla	KMP	Chief Financial Officer	Sd/-
2.	Jagdev Singh	KMP	Managing Director	Sd/-
3.	Tirlok Mohan	KMP	Company Secretary and Compliance Officer	Sd/-
4.	Jasdil Singh	KMP	Whole Time Director	Sd/-

Dated: September 10, 2026
Place: Ludhiana