



ASK AUTOMOTIVE LIMITED

(Formerly known as ASK Automotive Private Limited)

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE IPO COMMITTEE OF THE COMPANY AT ITS MEETING HELD ON MONDAY 12TH JUNE, 2023 AT 9.00 A.M AT PLOT NO. 13-14, SECTOR-5, IMT MANESAR, DISTT. GURGAON-122050, HARYANA

APPROVAL OF THE DRAFT RED HERRING PROSPECTUS

“RESOLVED THAT, in furtherance of the resolution passed by the board of directors of the Company (the **“Board”**) on 9th June, 2023 and subject to applicable laws, the draft of the draft red herring prospectus (the **“DRHP”**), in respect of the initial public offering of equity shares of face value of ₹ 2 each of the Company (the **“Equity Shares”**) consisting of an offer for sale upto 2,95,71,390 (Two Crore Ninety Five Lacs Seventy One Thousand Three Hundred and Ninety) Equity Shares by Mr. Kuldip Singh Rathee and Mrs. Vijay Rathee (the **“Selling Shareholder(s)”**) (the **“Offer”**), at such price as may be determined in accordance with the book building process prescribed under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and as agreed to by the Company and the Selling Shareholders in consultation with the book running lead managers to the Offer (the **“BRLMs”**), as provided to, and tabled before the Committee, containing the requisite information as prescribed by applicable laws and regulations, be and is hereby approved for filing with Securities and Exchange Board of India (**“SEBI”**), BSE Limited, National Stock Exchange of India Limited (which together with BSE Limited shall collectively be referred to as the **“Stock Exchanges”**) and such other authorities or persons as may be required.

RESOLVED FURTHER THAT the “Statement of Special Tax Benefits” as disclosed in the draft of the DRHP tabled before the Committee and approved pursuant to the resolution of the Board dated 9th June 2023, and as set out in **Annexure 2**, are hereby ratified, re-approved and reconfirmed, along with the necessary certifications received from Walker Chandok & Co LLP in this regard.

RESOLVED FURTHER THAT business strategies as disclosed in the “Our Business – Our Strategies” section of the draft of the DRHP tabled before the Committee and approved pursuant to the resolution of the Board dated 9th June 2023, as reproduced in **Annexure 3**, is hereby ratified, re-approved and reconfirmed.

RESOLVED FURTHER THAT, the Committee ratifies, re-approves and reconfirms the resolution dated 9th June, 2023 passed by the Audit Committee approving the key performance indicators to be disclosed in the DRHP tabled before the Committee and other offer-related documents to be filed with the Registrar of Companies, Delhi and Haryana at New Delhi, SEBI and the Stock Exchanges, and all matters in relation thereto, including, but not limited to, confirming that no key performance indicators (**“KPIs”**) pertaining to the Company, other than as included in the Audit Committee resolution, have been disclosed to any investors of the Company for raising funds at any point of time during the three immediately preceding years, and/or related certifications to be obtained in this regard.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, each of the members of the IPO Committee and/or Mr. Naresh Kumar, Chief Financial Officer and/or Ms. Rajani Sharma, VP (Legal), Company Secretary and Compliance Officer of the Company, severally, on behalf of the Committee, be and are hereby authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for such purpose, and to make any filings, including with the Registrar of Companies, Delhi and Haryana at New Delhi, furnish any returns or submit any other documents to any government, statutory or regulatory authorities as may be required, and to settle any question, difficulty or doubt and further to do or cause to be done all such acts, deeds, matters and things and to negotiate, finalize and execute all documents, papers, instruments and writings as they may deem necessary, proper, desirable or expedient and to give such directions and/or instructions as they may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as may be required; and any documents so executed and delivered or acts and things done shall be conclusive evidence of the authority of the Committee in so doing and any document so executed and delivered or acts and things done prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Committee, as the case may be.

RESOLVED FURTHER THAT duly certified copies of the above resolutions under the hands of any Director and/or Ms. Rajani Sharma, VP (Legal), Company Secretary and Compliance Officer of the Company be furnished to any government, statutory or regulatory authority as may be required from time to time.”

**CERTIFIED TRUE COPY
FOR AND ON BEHALF OF ASK AUTOMOTIVE LIMITED**


RAJANI SHARMA
VP (LEGAL), COMPANY SECRETARY AND COMPLIANCE OFFICER
MEMBERSHIP NO. 14391



Corporate Office :-

Plot No. 13-14, Sector - 5, I.M.T. Manesar,
Distt. Gurgaon. PIN - 122050 (Hr.)
Ph : 0124 - 4396900
e-mail : info@askbrake.com
: roc@askbrake.com
Website : www.askbrake.com



Registered Office :

Flat No. 104, 929/1, Naiwala,
Faiz Road, Karol Bagh,
New Delhi - 110 005
Tel : 011-28758433, 28759605
011-28752694, 43071516
CIN : U34300DL1988PLC030342

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO ASK AUTOMOTIVE LIMITED (FORMERLY KNOWN AS ASK AUTOMOTIVE PRIVATE LIMITED) (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders (within and outside India) under the Income-tax Act, 1961 and Income-tax rules 1962 ('Income Tax Regulations'). These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Income Tax Laws.

A. Special tax benefits available to the Company under the Income Tax Regulations

1. Lower corporate tax rate on income of domestic companies – Section 115BAA of the Income-tax Act, 1961 ('the IT Act')

The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised through filing of Form 10IC on the Income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% is subject to the company not availing any of the following deductions under the provisions of the IT Act:

- Section 10AA: Tax holiday available to units in a Special Economic Zone.
- Section 32(1)(iia): Additional depreciation;
- Section 32AD: Investment allowance.
- Section 33AB/33ABA: Tea coffee rubber development expenses/site restoration expenses
- Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
- Section 35AD: Deduction for capital expenditure incurred on specified businesses.
- Section 35CCC/35CCD: expenditure on agricultural extension /skill development
- Chapter VI-A except for the provisions of section 80JJAA and section 80M.

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Note: The Company has opted the lower rate under section 115BAA of the Act in the FY 2019-20 relevant to the AY 2020-21 as mentioned in the Section 115BAA for which declaration (Form 10IC) has already been filed with the tax authorities.

2. Deductions in respect of employment of new employees – Section 80JJAA of the IT Act

As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act.

The company is presently not claiming deduction under section 80JJAA of the IT Act. However, this deduction could be claimed in the future subject to fulfillment of the conditions discussed above.

3. Deduction with respect to inter-corporate dividends – Section 80M of the IT Act

As per the provisions of section 80M of the IT Act, inserted with effect from 01 April 2020, a domestic company shall be allowed to claim a deduction of dividend income earned from any other domestic company or a foreign company or a business trust. The amount of deduction so claimed should not exceed the amount of dividend distributed by it on or before the due date. In this case, due date means one month prior to the due date of furnishing return of income under sub section (1) of section 139 of the IT Act.

The company has a wholly owned subsidiary viz. ASK Automobiles Private Limited and thus, the company should be eligible to claim deduction u/s 80M of the IT Act in respect of dividends received (if any) from its subsidiary and further distributed to its shareholders subject to fulfillment of other conditions.

4. Deductions in respect of specified expenditure

In accordance with and subject to the fulfillment of conditions as laid out under section 35D of the IT Act, the company may be entitled to amortize preliminary expenditure, being specified expenditure incurred in connection with the issue for public subscription or such other expenditure as prescribed under section 35D of the IT Act, subject to the limit specified therein (viz maximum 5% of the cost of the project or 5% of the capital employed in the business of the company).

The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

With effect from 01 April 2024, the company shall be required to furnish a statement containing the particulars of expenditures specified u/s 35D of the Act to such income tax authority, which shall be prescribed in the due course by the CBDT.

B. **Special tax benefits available to the shareholders of the Company under the Income Tax Regulations**

1. Dividend Income

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in the case of domestic corporate shareholder, benefit of deduction under section 80M of the IT Act would be available on fulfilling the conditions.

In case of the shareholders who are individuals, Hindu Undivided Family, Association of person, Body of Individuals whether incorporated or not and every artificial juridical person, the surcharge would be restricted to 15% irrespective of the amount of dividend.

2. Tax on Capital Gains

As per section 112A of the IT Act, Long Term Capital Gains ('LTCG') arising from the transfer of equity shares on which Securities Transaction Tax ('STT') is paid at the time of acquisition and sale, shall be taxed at the rate of 10% (without indexation) (plus applicable surcharge and cess) of such capital gains. This is subject to fulfillment of prescribed additional conditions as per Notification No. 60/2018/F.No 370142/9/2017 dated 1 October 2018. It is worthwhile to note that tax u/s 112A of the IT Act shall only be levied where such aggregate capital gains exceed INR 1,00,000/- in a year.

Further, the Finance Act 2022 restricts surcharge to 15% in respect of LTCG arising from any capital asset:

As per section 111A of the IT Act, Short-Term Capital Gains ('STCG') arising from the transfer of equity shares on which STT has been paid at the time of sale shall be taxed at the rate of 15% (plus applicable surcharge and cess).

3. Special Provisions for Non-resident shareholders

As per section 90(2) of the IT Act, non-resident shareholders will be entitled to be governed by the beneficial provisions under the respective Double Taxation Avoidance Agreement ("DTAA"), if any, applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

Further, any income by way of capital gains accruing to non-residents, may be subject to withholding tax as per the provisions of the IT Act or under the relevant DTAA, whichever is beneficial. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders may be able to avail credit for any taxes paid by them in India, subject to local laws of the country in which such shareholder is resident.

Notes:

1. These special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Income tax regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, 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 his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. The Statement has been prepared on the basis that the Company is in the process of getting shares of the company listed on a recognized stock exchange in India and the Company will be issuing shares.
4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:
 - i. the Company or its shareholders will continue to obtain these benefits in future;
 - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. the revenue authorities/courts will concur with the view expressed herein.
5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.
6. The above Statement of Possible Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

For and on behalf of **ASK Automotive Limited**
(formerly known as ASK Automotive Private Limited)

Kuldip Singh Rathee
Managing Director

Place: Gurugram
Date: 12 June 2023

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO ASK AUTOMOTIVE LIMITED (FORMERLY KNOWN AS ASK AUTOMOTIVE PRIVATE LIMITED) AND ITS SHAREHOLDERS

SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO ASK AUTOMOTIVE LIMITED (FORMERLY KNOWN AS ASK AUTOMOTIVE PRIVATE LIMITED) UNDER THE INDIRECT TAX REGULATIONS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications and schemes), Goods and Services Tax (Compensation to States) Act, 2017 (read with Goods and Services Tax (Compensation to States) circulars, notifications and schemes), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications and schemes), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications and schemes), as amended by Finance Act 2023 (collectively referred as "Indirect Tax Regulations") read with Rules, Circulars, Notifications and Schemes.

Special tax benefits available to ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

1. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20)

i. Remission of duties and taxes on Exported Products (RoDTEP)

Remission of duties and taxes on Exported Products (RoDTEP) scheme has replaced Merchandise Export from India Scheme (MEIS). Under the scheme, rebate of duty and taxes which is not refunded under any other Scheme will be given in the form of duty credit/electronic scrip. The scheme was notified from 1 January 2022 with the intention to boost exports. The rate of duty of remission for the products under RoDTEP scheme has been notified by the Government of India and it ranges from 0.5 percent to 4 percent.

ii. Export Promotion Capital Goods (EPCG)

The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty. The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization. EPCG license holder is exempted from payment of whole of Basic Customs Duty, Additional Customs Duty and Special Additional Duty In lieu of Value Added Tax/local taxes (non-GST goods), Integrated Goods and Services Tax and Compensation Cess, wherever applicable, subject to certain conditions

2. Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)

Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated supplies.

There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export without

payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

Special benefits for shareholders of ASK Automotive Limited (formerly known as ASK Automotive Private Limited)

Shareholders of the Company are not eligible to special indirect tax benefits under the provisions of the the Central Goods and Services Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications).

Notes:

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.
3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.
4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - i. The Company or its shareholders will continue to obtain these benefits in future;
 - ii. The conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. The revenue authorities / courts will concur with the view expressed herein.
5. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

For and on behalf of **ASK Automotive Limited**
(formerly known as ASK Automotive Private Limited)

Kuldip Singh Rathee
Managing Director

Place: Gurugram
Date: 12 June 2023

Our Strategies

“Electrification”– further strengthen our position in the growing EV sector in India

The key trends and growth drivers for electrification include changes in regulations and policies, total cost of ownership and growing awareness about environmental issues (Source: CRISIL Report). The Govt, through various ministries, has formulated policies, such as the FAME II subsidy policy, for the development of the EV sector in India (Source: CRISIL Report). For further details on the key trends and growth drivers for electrification, see “Industry Overview – Key upcoming regulations” on page 157.

The global trend toward vehicle electrification in particular provides us with growth opportunities in the EV sector. Momentum for EVs is being driven by a number of factors, including a global recognition of the need for clean mobility; norms, targets and incentives provided by several governments to promote EV adoption; improving affordability and performance of EVs; the rapid expansion of EV charging infrastructure; and OEM plans for electrification (Source: CRISIL Report).

Growing population and urbanization provide opportunities in the automotive sector, as they call for increasingly fast, safe and reliable transportation modes (Source: CRISIL Report). Electrification and other energy and eco-friendly solutions result from growing energy demand that is coupled with growing public awareness of energy efficiency and increasing public policies on energy, such as stricter emission laws (Source: CRISIL Report). EVs hold a high potential for emission-efficient mobility solutions across the world, including 2Ws, 3Ws and PVs supported by government incentives for setting up EV charging infrastructure and vehicle purchase subsidies which have helped in increasing demand for EVs and reducing battery prices due to increase in production capacities across the world (Source: CRISIL Report).

Our product offerings are powertrain-agnostic, catering to the EV as well as ICE sectors of 2Ws, 3Ws, PVs and CVs. Going forward, our commitment and focus towards ESG will continue increasing as we plan to increase the EV share of our revenue. While we currently offer our products to pure-play 2W EV OEMs in India such as largest 2W EV OEM by market share in calendar year 2022 (by retail sales volume) (Source: CRISIL Report), Ather, Greaves and Revolt, we also supply products to existing customers such as TVS, HMCL and Bajaj for their recently launched range of 2W EVs as they transition to EV. We intend to similarly capitalize on the EV transition of our existing 2W OEM customer base.

The following table sets forth the number of safety systems and critical engineering solutions being supplied and under development for 2W EV OEMs as of March 31, 2023:

Part Name	2W EV OEM1	2W EV OEM2	2W EV OEM3	2W EV OEM4	2W EV OEM5	2W EV OEM6	2W EV OEM7	2W EV OEM8	2W EV - T1	2W EV OEM9	Total
Number of safety systems and critical engineering solutions											
Under Development	5	3	-	-	2	1	-	-	1	-	12
AB Systems	-	-	-	2	1	4	1	2	-	1	11
Total	-	-	-	2	1	4	1	2	-	1	11
Supplying	-	-	-	2	1	1	1	2	-	1	8
Under Development	-	-	-	-	-	3	-	-	-	-	3
SCC	-	-	2	-	-	-	-	-	-	-	2
Products	-	-	2	-	-	-	-	-	-	-	2
Total	-	-	2	-	-	-	-	-	-	-	2
Supplying	-	-	2	-	-	-	-	-	-	-	2
Under Development	-	-	-	-	-	-	-	-	-	-	-
Total	18	7	8	6	6	5	1	2	1	1	55
Supplying	13	4	8	6	4	1	1	2	-	1	40
Under Development	5	3	-	-	2	4	-	-	1	-	15


Source: CRISIL Report


Electrification and lightweighting trends have led to increased revenue realization of various components since the vehicle level bill of materials supplied to an EV OEM is higher as compared to an ICE OEM (Source: CRISIL Report). Consequently, through various R&D initiatives, we have been working towards widening our portfolio of EV specific products providing lightweighting and thermal management solutions to 2W EV OEMs. Our systems and solutions are aimed towards helping OEMs enhance the vehicle range, safety and improve overall efficiency of the EV. Furthermore, our R&D capabilities


also help improve our precision engineered manufacturing processes, enabling OEMs achieve lightweighting for additional vehicle parts and components.


The table below sets forth the impact of the transition from ICE to EV for AB systems, ALP solutions and SCC products in the 2W market:


Segment	Category	Product	Vehicle Segment	
			ICE	EV (HEV, BEV)
Advanced Automotive Braking Solutions	Braking	Brake panel assembly, brake shoe, disc brake pad (DBP), brake lining, mission case	—	—
Aluminium Lightweighting Precision Solutions	EV Specific	Motor housing	—	↑↑↑
		Battery housing	—	↑↑↑
		Wheel pulley	—	↑↑↑
	Electrical/Electronics	ECU housing/ECU heat sink	—	↑↑↑
	Transmission parts	Flange final driven	—	↑
	Body/Chassis Parts	Pillion grip, footrest assembly, speedometer cable housing, wiper housing, hub	—	—
	Engine Parts	Crankcase, crankcase cover, filter housing, cylinder block, throttle body, engine cover	—	↓↓↓
Safety Control Cable Solutions	Cables	Choke cable, clutch cable, brake cable (front & rear), speedometer cable, throttle cable, seat lock cable, fuel cable	—	↓

 Improved realizations

 Significant improved realizations

 No transition impact

 Reduced realizations

 Significant reduced realizations

EV penetration in the 2W market in India is expected to reach 25% to 30% by Fiscal 2027, growing at a CAGR of 84% to 86% between Fiscal 2022 and Fiscal 2027, and the demand for 3W EVs is expected to grow at a CAGR of approximately 66% to 68% between calendar years 2022 and 2027 (Source: CRISIL Report). With more model launches by OEMs, issues of range anxiety (i.e., apprehension that the vehicle will be drained of charge mid journey) being addressed and declining battery prices, EV volume is expected to grow at a fast pace globally (Source: CRISIL Report). With our existing portfolio of EV specific products, we are well positioned to capture the growth trend in revenue realization per component with increasing electrification, both in India and globally. Furthermore, with the capability to design and develop precision engineered solutions, and our presence and market here in powertrain-agnostic products like AB systems, we can increase our content per vehicle across EV OEM categories in the 2W, 3W, PV and CV sectors, and to that effect, are continuously investing in R&D to develop and deliver new and innovative safety systems and critical engineering solutions.

As part of our strategy to strengthen our position in the EV market, we have leveraged our experience in developing AB systems and ALP solutions, which have undergone a transition, and are working on developing new products for OEMs enabling them to achieve a further reduction in weight, enhanced performance and improved vehicle acceleration via high performance driveline products and improved efficiencies.

We have in the past and intend to continue to capitalize on the growing trend for aluminum lightweighting in electric and hybrid vehicles. Aluminum is the most used metal by automakers and allows lightweighting while improving performance standards, safety and corrosion (Source: CRISIL Report). According to the European Aluminum Association, aluminum can be 40% lighter than steel, and is used to build lighter and stronger vehicles (Source: CRISIL Report). The high thermal conductivity of aluminum assists in moving heat away from critical components such as battery and electronics in an EV where high heat can adversely affect the performance and safety of the vehicle (Source: CRISIL Report). Hence, aluminum is also finding growing application in EVs (Source: CRISIL Report). With EV penetration increasing, the application of aluminum in automobiles is expected to grow, as the use of this metal helps to improve the performance of EVs (Source: CRISIL Report). For example, lightweighting can increase a vehicle's efficiency, translating to ranges for batteries, consequently lowering the range anxiety of customers (Source: CRISIL Report). With a high focus on energy efficiency and range anxiety in EVs, lightweighting is gaining increasing focus from automakers globally (Source: CRISIL Report). Even in ICE vehicles, the need for lower greenhouse gas emissions has seen adoption of materials such as aluminum and magnesium, which are used to make thinner body panels and other structural members that can improve fuel efficiency (Source: CRISIL Report).

To leverage the expected growth in demand for 2W EVs, we have 16 new programs under development for the EV sector proposed to start production in Fiscal 2024. Our new programs under development in the EV sector are set forth below:

S. No.	Customer Description	Category	Start of Production (Half-year based on Fiscal Year during which production date is stipulated under respective agreements)	No. of safety systems and critical engineering solutions
1.	<ul style="list-style-type: none"> India's fourth largest 2W OEM (by production volume in Fiscal 2022) (Source: CRISIL Report) 2W EV OEM 	2W	H1 2024	16

Continue to focus on our design, R&D and engineering capabilities to develop innovative systems and solutions, as well as improve our manufacturing efficiencies.

Our business is driven by innovation and technology, and we have been identifying, planning and addressing industry disruptions by bringing new solutions to the market. We use R&D to continuously enhance our advanced material engineering capabilities to formulate advanced materials for braking systems meeting safety, durability and performance specifications for EV and ICE OEMs. As of March 31, 2023, our total staff (i.e., workforce excluding shop-floor personnel) comprised 330 engineering graduates of which 74 were full-time employees of our R&D and engineering department, which represented 6.03% of our staff and 22% of the engineers employed as part of our staff.

The growing need for safety systems in the automotive sector is expected to increase demand for efficient automotive brake components such as, brake shoes, brake pads, brake liners, brake callipers and brake panel assembly (Source: CRISIL Report). Ongoing product development using our design, R&D and engineering capabilities remains a core focus area for our Company, and we aim to continue this in the future. We regularly work with OEMs to develop customized products for them, including those which were traditionally produced by them in-house. This enables us to increase wallet share, while simultaneously enabling us to diversify our product basket, offering OEMs with newer solutions for their existing products, thereby also increasing the content per vehicle of our products. For instance, the successful migration from sintered material to Aluminium in e-powertrain geared pulleys, has led to increased adoption of ALP solutions in 2W EVs. In Fiscal 2022, we developed e-powertrain geared pulleys using Aluminium for a 2W EV OEM to achieve lightweighting for their vehicles. We are also currently developing capability for product migration from steel and plastics to Aluminium, for lightweighting and thermal management for e-powertrain and e-powertrain products. For further details, please refer to "– Case Studies" and "– Program Pipeline" on pages 207 and 210, respectively.

The core philosophy of our Company is continued focus on driving operational excellence, which we have achieved by way of continuous development and improvement of our manufacturing processes and QCD parameters. As a manufacturing company, we continue to strive to achieve higher operational efficiencies and cost optimization, developing long-standing relationships with our OEM customers. Furthermore, our tooling capabilities, automation of manufacturing processes, adherence to high standards of quality and consistency help in achieving operational efficiency and maintain our QCD parameters. As a result of our efficiency efforts, we have been able to deliver RoACE of 22.06%, 16.76% and 21.98% in Fiscals 2023, 2022 and 2021, respectively.

Further diversify our product offerings in the AB systems and ALP solutions categories and expand our addressable market

We intend to leverage our established and long-standing customer relationships and explore opportunities to grow along the value chain by expanding the suite of our existing offerings across sectors, products and processes. As part of our strategy, we have already expanded our business from providing safety systems and critical engineering solutions for 2W OEMs to providing critical engineering solutions to PV OEMs.

Sector diversification

•We intend to develop and manufacture additional safety systems and critical engineering solutions for CV and PV OEMs, where we can leverage our engineering capabilities. With a demonstrated track record of developing safety systems and

critical engineering solutions for the automotive and non-automotive sectors, we believe our manufacturing capabilities can be further leveraged to cater to several non-automotive sectors, such as the ATV, power tools, defence and agriculture sectors. Furthermore, our existing key product families in the automotive sector have multiple applications across various non-automotive sectors as well.

Product and process diversification

- Our long-standing experience and market leadership in AB systems in India along with our manufacturing capabilities, positions us well to cross-sell our ALP solutions and SCC products. Over the years in the ALP solutions category in particular, we have focused on moving up the value chain of complexity and specialization by enhancing our manufacturing capabilities to produce complex precision components for several of our customers. As our technological capabilities evolve, we intend to increase our focus on further diversifying our product portfolio while also providing more complex precision engineered components to our customers across the world.
- We have grown to have an established presence as an AB manufacturer in India, scaled our ALP solutions significantly, and have recently entered the SCC business, illustrating our ability to diversify our business. We intend to similarly expand our capabilities and introduce low pressure die-casting ("LPDC") and gravity die-casting ("GDC") at our upcoming manufacturing facility Bhiwadi, Rajasthan, in addition to our existing high pressure die-casting ("HPDC") capabilities. For details relating to our new manufacturing facilities, see "Manufacturing – Planned New Manufacturing Facilities" on page 201.

Leverage export opportunities and enter new markets

We exported our products to 12 countries in Fiscal 2023, as illustrated below:



We intend to enter new markets by leveraging our existing relationships with customers outside India. Our export customers include Stanley Black & Decker, Polaris and MTD Products. Furthermore, we are focused on increasing our export revenues for our AB systems and ALP solutions. Our export revenue (net) has grown at a CAGR of 29.95% from ₹550.48 million in Fiscal 2021 to ₹929.68 million in Fiscal 2023, demonstrating a track record of growth, and of navigating changes in the global automotive systems and manufacturing industry, and with our technological and manufacturing capabilities, seek to benefit from the China-plus-one strategy being adopted by OEMs globally. We intend to focus on consolidating our market share in India while increasing our global presence across our existing portfolio of AB systems, ALP solutions and SCC products. To that end, we established a dedicated export desk in Fiscal 2022 to manage our existing export portfolio and explore new markets outside India.

Increased focus on IAM sales and spares

Our growth strategy involves expanding our distribution network with a wide portfolio of technologically advanced critically engineered products for the IAM across India. We serve IAM across the 2W, 3W, and PV sectors supplying our AB systems and SCC products. We have also strengthened our presence in the CV sector through our Joint Venture AFFPL, which has been supplying AB products in the IAM for CVs in India and globally. Revenue from the IAM grew at a CAGR of 9.15% from Fiscal 2021 to Fiscal 2023. The table below sets forth revenue from the IAM for the Fiscals stated:

Particulars	Fiscal 2023		Fiscal 2022		Fiscal 2021	
	Revenue (₹ million)	% of revenue from operations	Revenue (₹ million)	% of revenue from operations	Revenue (₹ million)	% of revenue from operations
Revenue from the IAM	2,803.42	10.97%	2,546.21	12.65%	2,353.15	15.24%

We intend to increase our focus on our IAM sales service to capitalize on significant opportunities for growth in the future. We aim to further expand our IAM presence and reinforce our brand image and visibility, allowing us to capture additional market share and enhance our brand positioning, particularly with IAM sales being a business-to-consumer channel.

Our leadership in the OEM and OES market for 2W AB systems, combined with our brand recall and global distribution network, allow us to reduce the time taken to enter newer markets and sectors in the IAM for our AB systems and SCC products. Going forward, we intend to grow our IAM sales through a variety of initiatives, including increasing product penetration through the introduction of new products and models by OEMs and expanding our distribution network in India.