

**ATHER**

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ATHER ENERGY LIMITED
CORPORATE IDENTITY NUMBER: U40100KA2013PLC093769

| REGISTERED OFFICE | CORPORATE OFFICE | CONTACT PERSON | TELEPHONE AND E-MAIL | WEBSITE |
|--|---|---|--|---------------------|
| 3 rd Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India | 13 th Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India | Puja Aggarwal, Company Secretary and Compliance Officer | +91 80 6646 5750 cs@atherenergy.com | www.atherenergy.com |

PROMOTERS OF OUR COMPANY:
TARUN SANJAY MEHTA, SWAPNIL BABANLAL JAIN AND HERO MOTOCORP LIMITED

DETAILS OF OFFER TO THE PUBLIC

| Type | Fresh Issue size | Offer for Sale size | Total Offer size | Eligibility and Reservation |
|--------------------------------|---|---|---|--|
| Fresh Issue and Offer for Sale | [●] Equity Shares of face value of ₹1 each aggregating up to ₹ 26,260 million | Up to 11,051,746 Equity Shares of face value of ₹ 1 each aggregating to ₹ [●] million | [●] Equity Shares of face value of ₹1 each aggregating to ₹ [●] million | The Offer is being made pursuant to Regulation 6(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) as the Company did not fulfill the requirement under Regulations 6(1)(a) and 6(1)(b) of SEBI ICDR Regulations. For further details, see “Other Regulatory and Statutory Disclosures – Eligibility for the Offer” on page 493. For details in relation to share reservation among Qualified Institutional Buyers (“QIBs”), Non-Institutional Investors (“NIIs”), Retail Individual Investors (“RIIs”) and Eligible Employees, see “Offer Structure” beginning on page 514. |

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND WEIGHTED AVERAGE COST OF ACQUISITION

| Name of the Selling Shareholders | Type of Selling Shareholder | Number of Offered Shares/ Amount (₹ in million) | Weighted Average Cost of Acquisition per Equity Share (in ₹) ^{^#@} |
|--|--------------------------------|---|---|
| Tarun Sanjay Mehta | Promoter Selling Shareholder | Up to 980,000 Equity Shares of face value of ₹ 1 aggregating to ₹ [●] million | 21.09 |
| Swapnil Babanlal Jain | Promoter Selling Shareholder | Up to 980,000 Equity Shares of face value of ₹ 1 aggregating to ₹ [●] million | 21.09 |
| Caladium Investment Pte Ltd | Corporate Selling Shareholder | Up to 6,003,460 Equity Shares of face value of ₹ 1 aggregating to ₹ [●] million | 204.24 |
| National Investment and Infrastructure Fund II | Corporate Selling Shareholder | Up to 2,634,514 Equity Shares of face value of ₹ 1 aggregating to ₹ [●] million | 183.71 |
| Internet Fund III Pte. Ltd. | Corporate Selling Shareholder | Up to 400,000 Equity Shares of face value of ₹ 1 aggregating to ₹ [●] million | 38.58 |
| IITM Incubation Cell | Corporate Selling Shareholder | Up to 31,050 Equity Shares of face value of ₹ 1 aggregating to ₹ [●] million | Nil ^{**} |
| IITMS Rural Technology and Business Incubator | Corporate Selling Shareholder | Up to 4,191 Equity Shares of face value of ₹ 1 aggregating to ₹ [●] million | 8.31 |
| Amit Bhatia | Individual Selling Shareholder | Up to 18,531 Equity Shares of face value of ₹ 1 aggregating to ₹ [●] million | 184.82 |

[^]As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated April 22, 2025.

^{**}This includes equity shares acquired pursuant to the incubation agreement dated December 23, 2013 superseded by the graduation agreement dated October 14, 2014 and bonus issue.

[#]The amount paid on the acquisition of the Preference Shares have been considered for calculating the weighted average cost of acquisition per Equity Share.

[@]This includes shares acquired pursuant to bonus issuance of Equity Shares.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 1 per Equity Share. The Floor Price, the Cap Price and the Offer Price, as determined by our Company, in consultation with the book running lead managers (“BRLMs”), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, in accordance with the SEBI ICDR Regulations, and as stated in “Basis for Offer Price” beginning on page 196, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer 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 Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” beginning on page 43.





OUR COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE, and together with the BSE, the "Stock Exchanges"). For the purposes of the Offer, the Designated Stock Exchange shall be NSE.

BOOK RUNNING LEAD MANAGERS

| NAME AND LOGO | | CONTACT PERSON(S) | TELEPHONE AND E-MAIL |
|---|--|--------------------------------|---|
|  | Axis Capital Limited | Sagar Jatakiya | Tel: +91 22 4325 2183 E-mail: atherenergy.ipo@axiscap.in |
|  | HSBC Securities and Capital Markets (India) Private Limited | Harsh Thakkar / Harshit Tayal | Tel: +91 22 6864 1289 E-mail: atheripo@hsbc.co.in |
|  | JM Financial Limited | Prachee Dhuri | Tel: +91 22 6630 3030 E-mail: atherenergy.ipo@jmfl.com |
|  | Nomura Financial Advisory and Securities (India) Private Limited | Vishal Kanjani / Arun Narayana | Tel: +91 22 4037 4037 E-mail: atheripo@nomura.com |

REGISTRAR TO THE OFFER

| NAME OF REGISTRAR | CONTACT PERSON | TELEPHONE AND E-MAIL |
|--|----------------------|---|
| MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) | Shanti Gopalkrishnan | Tel: +91 81 0811 4949 E-mail: atherenergy.ipo@linkintime.co.in |

BID/ OFFER PERIOD

| ANCHOR INVESTOR BIDDING DATE | Friday, April 25, 2025 | BID/ OFFER OPENS ON | Monday, April 28, 2025 | BID/ OFFER CLOSING ON | Wednesday April 30, 2025 [#] |
|------------------------------|------------------------|---------------------|------------------------|-----------------------|---------------------------------------|
|------------------------------|------------------------|---------------------|------------------------|-----------------------|---------------------------------------|

[#] UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.



ATHER ENERGY LIMITED

Our Company was originally incorporated as “Ather Energy Private Limited” as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 21, 2013, issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands. Pursuant to a change in the registered office of our Company, a certificate of registration dated May 31, 2016, was issued by the Registrar of Companies, Karnataka at Bangalore. Upon the conversion of our Company into a public limited company, pursuant to a board resolution dated June 18, 2024, and a shareholders’ resolution dated June 21, 2024, the name of our Company was changed to “Ather Energy Limited”, and a fresh certificate of incorporation dated August 27, 2024 was issued by the Registrar of Companies, Central Processing Centre. For details in relation to the changes in the registered office of our Company, see “*History and Certain Corporate Matters - Changes in the registered office of our Company*” on page 326.

Corporate Identity Number: U40100KA2013PLC093769

Registered Office: 3rd Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India

Corporate Office: 13th Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India

Contact Person: Puja Aggarwal, Company Secretary and Compliance Officer; **Tel:** +91 80 6646 5750; **E-mail:** cs@atherenergy.com; **Website:** www.atherenergy.com

PROMOTERS OF OUR COMPANY: TARUN SANJAY MEHTA, SWAPNIL BABANLAL JAIN AND HERO MOTOCORP LIMITED

INITIAL PUBLIC OFFERING OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH (“EQUITY SHARES”) OF ATHER ENERGY LIMITED (OUR “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SECURITIES PREMIUM OF ₹ [●] PER EQUITY SHARE (THE “OFFER PRICE”) AGGREGATING TO ₹ [●] MILLION (THE “OFFER”). THE OFFER COMPRISES A FRESH ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 BY OUR COMPANY AGGREGATING UP TO ₹26,260 MILLION (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 11,051,746 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING TO ₹[●] MILLION COMPRISING UP TO 980,000 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING TO ₹[●] MILLION BY TARUN SANJAY MEHTA, UP TO 980,000 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING TO ₹[●] MILLION BY SWAPNIL BABANLAL JAIN (TOGETHER THE “PROMOTER SELLING SHAREHOLDERS”), UP TO 6,003,460 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING TO ₹ [●] MILLION BY CALADIUM INVESTMENT PTE LTD, UP TO 2,634,514 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING TO ₹ [●] MILLION BY NATIONAL INVESTMENT AND INFRASTRUCTURE FUND II, UP TO 400,000 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING TO ₹[●] MILLION BY INTERNET FUND III PTE. LTD., UP TO 31,050 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING TO ₹ [●] MILLION BY IITM INCUBATION CELL, UP TO 4,191 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING TO ₹ [●] MILLION BY IITMS RURAL TECHNOLOGY AND BUSINESS INCUBATOR (TOGETHER THE “CORPORATE SELLING SHAREHOLDERS”) AND UP TO 18,531 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH AGGREGATING TO ₹ [●] MILLION BY AMIT BHATIA (“INDIVIDUAL SELLING SHAREHOLDER”, AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS AND THE CORPORATE SELLING SHAREHOLDERS REFERRED TO AS THE “SELLING SHAREHOLDERS”).

THE OFFER INCLUDES A RESERVATION OF UP TO 100,000 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH, AGGREGATING TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE “EMPLOYEE RESERVATION PORTION”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY MAY IN CONSULTATION WITH THE BRLMS, OFFER A DISCOUNT OF ₹[●] ON THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (“EMPLOYEE DISCOUNT”).

THE PRICE BAND, EMPLOYEE DISCOUNT, IF ANY, AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS, AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND BENGALURU EDITIONS OF VISHWAVANI (A WIDELY CIRCULATED KANNADA DAILY NEWSPAPER, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE STOCK EXCHANGES FOR UPLOADING ON THEIR RESPECTIVE WEBSITES, IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and also by indicating the change on the websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank(s), as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein in terms of Regulation 32(2) of the SEBI ICDR Regulations, not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“**QIBs**”, and such portion, the “**QIB Portion**”) provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which at least one-third shall be available for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the 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 QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1,000,000 provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to RIIs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount (“**ASBA**”) process by providing details of their respective bank accounts (including UPI ID for UPI Bidders using UPI Mechanism) (as defined hereinafter) in which the Bid Amount will be blocked by the SCBs or the Sponsor Banks, as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion of the Offer through the ASBA process. For details, see “*Offer Procedure*” beginning on page 519.

RISKS IN RELATION TO FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 1. The Offer Price/ Floor Price/ Cap Price, as determined and justified by our Company, in consultation with the BRLMs in accordance with the SEBI ICDR Regulations and as stated in “*Basis for Offer Price*”, beginning on page 196, should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/ or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” beginning on page 43.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by such Selling Shareholders in this Red Herring Prospectus to the extent of information specifically pertaining to it and/or its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. Each of the Selling Shareholder does not assume any responsibility for any other statement, disclosure or undertaking in this Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company or our Company's business or any other person(s) or any other Selling Shareholders.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters, each dated October 31, 2024. For the purposes of the Offer, NSE shall be the Designated Stock Exchange. A signed copy of this Red Herring Prospectus has been filed with the RoC and a copy of the Prospectus shall be delivered to the RoC for filing in accordance with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date, see “*Material Contracts and Documents for Inspection*” beginning on page 561.

BOOK RUNNING LEAD MANAGERS**REGISTRAR TO THE OFFER**

|  AXIS CAPITAL |  HSBC |  JM FINANCIAL |  NOMURA |  MUFG |
|--|--|--|---|---|
| Axis Capital Limited Axis House, 1 st Floor P.B. Marg, Worli Mumbai 400 025, Maharashtra, India Telephone: +91 22 4325 2183 Email: atherenergy ipo@axiscap.in Investor grievance email: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Sagar Jatakiya SEBI Registration No.: INM000012029 | HSBC Securities and Capital Markets (India) Private Limited 52/60, Mahatma Gandhi Road, Fort Mumbai 400 001 Maharashtra, India Telephone: +91 22 6864 1289 Email: atheripo@hsbc.co.in Investor grievance email: investor grievance@hsbc.co.in Website: www.business.hsbc.co.in Contact Person: Harsh Thakkar / Harshit Tayal SEBI Registration No.: INM000010353 | JM Financial Limited 7 th Floor, Chenergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025, Maharashtra, India Telephone: +91 22 6630 3030 E-mail: atherenergy.ipo@jmfl.com Investor Grievance email: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361 | Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11 Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018, Maharashtra, India Telephone: +91 22 4037 4037 E-mail: atheripo@nomura.com Investor Grievance email: investor grievance-in@nomura.com Website: www.nomuraholdings.com/company/groupp/asia/india/index.html Contact Person: Vishal Kanjani / Arun Narayana SEBI Registration No.: INM000011419 | MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) C-101, 1 st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 810 811 4949 E-mail: atherenergy.ipo@linkintime.co.in Investor grievance email: atherenergy.ipo@linkintime.co.in Website: www.in.mpms.muflg.com Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058 |

BID/ OFFER PROGRAMME

| ANCHOR INVESTOR BIDDING DATE | Friday, April 25, 2025 | BID/ OFFER OPENS ON | Monday, April 28, 2025 | BID/ OFFER CLOSING ON | Wednesday April 30, 2025* |
|-------------------------------------|-------------------------------|----------------------------|-------------------------------|------------------------------|----------------------------------|
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* UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the SEBI ICDR Regulations, the Securities Contracts (Regulation) Act, 1956, the Contracts (Regulation) Rules, 1957, the Depositories Act, 1996, each as amended or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in “Basis for Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “History and Certain Corporate Matters”, “Financial Information”, “Outstanding Litigation and Material Developments”, “Other Regulatory and Statutory Disclosures”, “Offer Procedure” and “Provisions of the Articles of Association”, beginning on pages 196, 208, 216, 317, 326, 359, 476, 492, 519 and 543, respectively, will have the meaning ascribed to such terms in those respective sections.

References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. This Red Herring Prospectus contains information based on the extant provisions of Indian law and the judicial, regulatory and administrative interpretations thereof. Further, the Offer related terms used but not defined in this Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

General Terms

| Term | Description |
|--|--|
| Our Company or the Company or the Issuer | Ather Energy Limited, a public limited company, incorporated under the Companies Act, 1956, having its Registered Office at 3 rd Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India. All references to the terms “we”, “us” and “our” are to our Company. |

Company Related Terms

| Term | Description |
|--|--|
| Articles or Articles of Association | The articles of association of our Company, as amended from time to time. |
| Audit Committee | The audit committee of our Board, as described in “ Our Management – Board Committees – Audit Committee ” on page 341. |
| Auditors or Statutory Auditors | The current statutory auditors of our Company, namely, Deloitte Haskins & Sells, Chartered Accountants. |
| Board or Board of Directors | The board of directors of our Company. For details, see “ Our Management ” on page 334. |
| Chief Executive Officer or CEO | The chief executive officer of our Company, namely Tarun Sanjay Mehta. For details, see “ Our Management ” on page 334. |
| Chief Financial Officer or CFO | The chief financial officer of our Company, namely Sohil Dilipkumar Parekh. For details, see “ Our Management ” on page 348. |
| Chief Technical Officer or CTO | The chief technical officer of our Company, namely Swapnil Babanlal Jain. For details, see “ Our Management ” on page 334. |
| Company Secretary and Compliance Officer | The company secretary and compliance officer of our Company, namely, Puja Aggarwal. For details, see “ Our Management ” on page 348. |
| Corporate Office | The corporate office of our Company situated at 13 th Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India. |
| Corporate Promoter/ HMCL | Hero MotoCorp Limited |
| Corporate Selling Shareholders | Collectively, Caladium Investment Pte Ltd, Internet Fund III Pte. Ltd., National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited), IITM Incubation Cell and IITMS Rural Technology and Business Incubator |
| CRISIL | CRISIL Intelligence (formerly known as CRISIL Market Intelligence & Analytics, a |

| Term | Description |
|---------------------------------------|---|
| CRISIL Report | division of CRISIL Limited) Industry report titled “Assessment of Electric Two-wheeler Industry in India” dated March, 2025, prepared by CRISIL, appointed by our Company pursuant to engagement letters dated May 7, 2024 and January 17, 2025, exclusively commissioned by and paid for in connection with the Offer and is available on the website of our Company at https://www.atherenergy.com/investor-relations/offer-documents |
| D&B | Dun & Bradstreet Information Services of India Private Limited |
| D&B Report | The report in relation to the Project titled ‘ <i>Project Cost Vetting Report</i> ’ dated March 9, 2025, issued by D&B. |
| Director(s) | The director(s) on our Board. For details, see “ <i>Our Management</i> ” on page 334. |
| Equity Shares | The equity shares of our Company of face value of ₹ 1 each. |
| ESOP Scheme | Ather Energy ESOP Plan 2024, as amended from time to time. |
| Executive Director(s) | The executive director(s) on our Board, namely, Tarun Sanjay Mehta and Swapnil Babanlal Jain. For details, see “ <i>Our Management</i> ” on page 334. |
| Group Company | Our group company, being Hero FinCorp Limited, as disclosed in “ <i>Our Group Company</i> ” beginning on page 485. |
| Independent Director(s) | The independent director(s) on our Board, namely, Kaushik Dutta, Neelam Dhawan and Sanjay Nayak. For details, see “ <i>Our Management</i> ” on page 334. |
| Individual Promoters | Collectively, Tarun Sanjay Mehta and Swapnil Babanlal Jain |
| Individual Selling Shareholder | Amit Bhatia |
| IPO Committee | The IPO committee of our Board for the purpose of the Offer, comprising Directors namely, Tarun Sanjay Mehta, Niranjana Kumar Gupta, Pankaj Sood and Nilesh Shrivastava. |
| Key Managerial Personnel | The key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management – Key Managerial Personnel and Senior Management – Key Managerial Personnel</i> ” on page 348. |
| Materiality Policy | Policy for identification of (i) companies to be disclosed as group companies; (ii) material outstanding civil litigation proceedings involving our Company, our Promoters and our Directors; and (iii) material creditors of the Company, pursuant to the disclosure requirements under SEBI ICDR Regulations, as adopted by the Board pursuant to its resolution dated August 27, 2024. |
| Memorandum of Association | The memorandum of association of our Company, as amended from time to time. |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board, as described in “ <i>Our Management – Board Committees – Nomination and Remuneration Committee</i> ” on page 344. |
| Non-Executive Director(s) | The non-executive director(s) on our Board as disclosed in “ <i>Our Management</i> ” on page 334. |
| Preference Shares | Collectively, the Series Seed – One CCPS, Series Seed – Two CCPS, Series Seed – Three CCPS, Series Seed – Four CCPS, Series A CCPS, Series B CCPS, Series B1 CCPS, Series C CCPS, Series C1 CCPS, Series D CCPS, Series E CCPS, Series E1 CCPS, Series E2 CCPS, Series F CCPS and CCPS (includes Series G CCPS). |
| Promoter Group | The individuals and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 351. |
| Promoter Selling Shareholders | Collectively, Tarun Sanjay Mehta and Swapnil Babanlal Jain. |
| Promoters | The promoters of our Company, namely, Tarun Sanjay Mehta, Swapnil Babanlal Jain, and HMCL |
| Registered Office | The registered office of our Company situated at 3 rd Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India. |
| Registrar of Companies or RoC | The Registrar of Companies, Karnataka at Bangalore. |
| Restated Financial Information | The restated financial information of our Company as at and for the nine months ended December 31, 2024 and December 31, 2023 and as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, comprising the restated statement of assets and liabilities as at December 31, 2024, December 31, 2023, March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flow for the nine months ended December 31, 2024 and December 31, 2023 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary of material accounting policies and other explanatory information prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended, SEBI ICDR Regulations, as amended, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended. |
| Risk Management Committee | The risk management committee of our Board, as described in “ <i>Our Management– Board Committees – Risk Management Committee</i> ” on page 346. |

| Term | Description |
|--------------------------------------|---|
| Selling Shareholders | Collectively, the Promoter Selling Shareholders, the Corporate Selling Shareholders and the Individual Selling Shareholder. |
| Senior Management | The senior management of our Company in terms of Regulation 2(1)(bbbbb) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Management – Key Managerial Personnel and Senior Management – Senior Management</i> ” on page 348. |
| Series A CCPS | Series A compulsorily convertible preference shares having face value ₹1 each. |
| Series B CCPS | Series B compulsorily convertible preference shares having face value ₹10 each. |
| Series B1 CCPS | Series B1 compulsorily convertible preference shares having face value ₹10 each. |
| Series C CCPS | Series C compulsorily convertible preference shares having face value ₹10 each. |
| Series C1 CCPS | Series C1 compulsorily convertible preference shares having face value ₹10 each. |
| Series D CCPS | Series D compulsorily convertible preference shares having face value ₹10 each. |
| Series E CCPS | Series E compulsorily convertible preference shares having face value ₹10 each. |
| Series E1 CCPS | Series E1 compulsorily convertible preference shares having face value ₹10 each. |
| Series E2 CCPS | Series E2 compulsorily convertible preference shares having face value ₹10 each. |
| Series F CCPS | Series F compulsorily convertible preference shares having face value ₹1 each. |
| Series G CCPS | Series G compulsorily convertible preference shares having face value ₹10 each. |
| Series Seed – Four CCPS | Series Seed – Four compulsorily convertible preference shares having face value ₹37 each. |
| Series Seed – One CCPS | Series Seed – One compulsorily convertible preference shares having face value ₹37 each. |
| Series Seed – Three CCPS | Series Seed – Three compulsorily convertible preference shares having face value ₹37 each. |
| Series Seed – Two CCPS | Series Seed – Two compulsorily convertible preference shares having face value ₹37 each. |
| SHA | Amended and Restated Shareholders’ Agreement dated July 30, 2024 entered into among our Company, Tarun Sanjay Mehta, Swapnil Babanlal Jain, Mehta Family Trust, Tarun Swarna Family Trust, Jain Family Trust, Swapnil Jain Family Trust, Internet Fund III Pte. Ltd., HMCL, Caladium Investment Pte Ltd, 3State Ventures Pte. Ltd., IITMS Rural Technology and Business Incubator, NK Squared, Kamath Associates, National Investment and Infrastructure Fund II (<i>represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited</i>), India-Japan Fund (<i>represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited</i>), Venkatachary Srinivasan, IITM Incubation Cell, Arun Vinayak, Achal Kothari, Asha Krishnakumar, R. Mahadevan, Abhishek Venkataraman, Gurusankar Sankararaman, Jayaprakash Vijayan, Volpi Cupal Trust, Sagar Meher Pushpala, InnoVen Capital India Fund, Herald Square Ventures, Guerilla Ventures Private Limited, Amit Bhatia, Karandeep Singh and Amod Malviya. |
| SHA Amendment cum Waiver Agreement | Amendment cum waiver and consent agreement dated September 5, 2024 to the SHA entered into among our Company, Tarun Sanjay Mehta, Swapnil Babanlal Jain, Mehta Family Trust, Tarun Swarna Family Trust, Jain Family Trust, Swapnil Jain Family Trust, Internet Fund III Pte. Ltd., HMCL, Caladium Investment Pte Ltd, 3State Ventures Pte. Ltd., IITMS Rural Technology and Business Incubator, NK Squared, Kamath Associates, National Investment and Infrastructure Fund II (<i>represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited</i>), India-Japan Fund (<i>represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited</i>), Venkatachary Srinivasan, IITM Incubation Cell, Arun Vinayak, Achal Kothari, Asha Krishnakumar, R. Mahadevan, Abhishek Venkataraman, Gurusankar Sankararaman, Jayaprakash Vijayan, Volpi Cupal Trust, Sagar Meher Pushpala, InnoVen Capital India Fund, Herald Square Ventures, Guerilla Ventures Private Limited, Amit Bhatia, Karandeep Singh and Amod Malviya. |
| Shareholders | The equity shareholders and preference shareholders of our Company from time to time. |
| Stakeholders’ Relationship Committee | The stakeholders’ relationship committee of our Board, as described in “ <i>Our Management– Board Committees – Stakeholders’ Relationship Committee</i> ” on page 345. |

Offer Related Terms

| Term | Description |
|--------------------------------|---|
| Abridged Prospectus | Abridged prospectus means a memorandum containing such salient features of the prospectus as may be specified by SEBI in this regard. |
| Acknowledgement Slip | The slip or document issued by the relevant Designated Intermediary(ies) to the Bidder as proof of registration of the Bid cum Application Form. |
| Allot or Allotment or Allotted | Unless the context otherwise requires, allotment or transfer, as the case may be of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the |

| Term | Description |
|---|--|
| | Selling Shareholders pursuant to the Offer for Sale to the successful Bidders. |
| Allotment Advice | Advice or intimation of Allotment sent to the successful Bidders who have Bid in the Offer or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Allottee | A successful Bidder to whom an Allotment is made. |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to Anchor Investors according to the terms of this Red Herring Prospectus, which will be decided by our Company in consultation with the BRLMs during the Anchor Investor Bid/Offer Period. |
| Anchor Investor Application Form | The 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 this Red Herring Prospectus and under the SEBI ICDR Regulations. |
| Anchor Investor Bid/ Offer Period or Anchor Investor Bidding Date | The date, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors and allocation to Anchor Investors shall be completed. |
| Anchor Investor Offer Price | The price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs. |
| 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 Offer Price, not later than two Working Days after the Bid/ Offer Closing Date. |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company, in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. |
| Anchor Investor(s) | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and this Red Herring Prospectus, and who has Bid for an amount of at least ₹ 100 million. |
| ASBA Account | Account maintained with an SCSB which may be blocked by such SCSB or the account of the UPI Bidders blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI mechanism to the extent of the Bid Amount of the ASBA Bidder. |
| ASBA Bid | A Bid made by an ASBA Bidder. |
| ASBA Bidder(s) | Any Bidder (other than an Anchor Investor) in the Offer. |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus. |
| ASBA or Application Supported by Blocked Amount | An application, whether physical or electronic, used by ASBA Bidders, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI. |
| Axis Capital | Axis Capital Limited |
| Banker(s) to the Offer | Collectively, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be. |
| Basis of Allotment | Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, described in " Offer Procedure " on page 519. |
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable. In the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid Amount shall be Cap Price net of Employee Discount, if any, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount, if any). Only in the event of an |

| Term | Description |
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| | undersubscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount, if any) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any). |
| Bid cum Application Form | The Anchor Investor Application Form or the ASBA Form, as the context requires. |
| Bid Lot | [●] Equity Shares of face value of ₹1 each. |
| Bid(s) | An indication by a ASBA Bidder to make an offer during the Bid/Offer Period pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of the Anchor Investor Application Form, to subscribe to or purchase Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of this Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly. |
| Bid/ Offer 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, which shall be notified in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Bengaluru editions of Vishwavani (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka where our Registered Office is located) and in case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website and terminals of the Members of the Syndicate and communicated to the designated intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. |
| Bid/ Offer Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Bengaluru editions of Vishwavani (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka where our Registered Office is located) and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Members of the Syndicate and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. |
| Bid/ Offer Period | Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer 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 in accordance with the terms of this Red Herring Prospectus. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. |
| Bidder or Applicant | Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor. |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Book Building Process | Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made. |
| Book Running Lead Managers or BRLMs | The book running lead managers to the Offer, being Axis Capital, HSBC, JM Financial and Nomura. |
| Broker Centres | Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker, provided that Retail Individual Investors may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com . |
| CAN or Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date. |
| Cap Price | The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall not be more than 120% of the Floor Price, provided that the Cap Price shall be at least 105% of the Floor Price. |
| Cash Escrow and Sponsor Bank | The agreement dated April 22, 2025 entered into among our Company, the Selling |

| Term | Description |
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| Agreement | Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), the Sponsor Bank(s), and the Refund Bank(s) for, among other things, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof. |
| CDP or Collecting Depository Participant | 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 the SEBI ICDR Master Circular and other applicable circulars issued by SEBI as per the lists available on the websites of the Stock Exchanges. |
| Client ID | Client identification number maintained with one of the Depositories in relation to the dematerialised account. |
| Cut-Off Price | Offer Price, which shall be any price within the Price Band, finalised by our Company in consultation with the BRLMs. Only Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price. |
| Demographic Details | The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details, PAN and UPI ID, as applicable. |
| 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 CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time. |
| Designated Date | The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank(s)) for the transfer of the relevant amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account and/ or are unblocked, as the case may be, in terms of this Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted to successful Bidders in the Offer. |
| Designated Intermediary(ies) | SCSBs, Syndicate, sub-Syndicate, Registered Brokers, CDPs and RTAs who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer. 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 Bidders 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 (excluding Anchor Investors) and NIBs (not using 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 Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively) as updated from time to time. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | NSE. |
| Draft Red Herring Prospectus or DRHP | The draft red herring prospectus dated September 9, 2024 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer. |
| Eligible Employee(s) | Permanent employees of our Company (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing of this Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company until the submission of the ASBA Form and is based, working and present in India or abroad as on the date of submission of the ASBA Form; or Director of our Company, whether a whole-time Director or otherwise, who is eligible to apply under the Employee Reservation Portion under applicable law as of the date of filing of this Red Herring Prospectus with the RoC and who continues to be a Director of our Company until submission of the ASBA Form and is based, working and present |

| Term | Description |
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| | in India or abroad as on the date of submission of the ASBA Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; and (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. |
| | The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount, if any). Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount, if any) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any). |
| Eligible NRI(s) | NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares. |
| Employee Discount | Our Company, in consultation with the BRLMs, may offer a discount of [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees which shall be announced at least two Working Days prior to the Bid / Offer Opening Date. |
| Employee Reservation Portion | The portion of the Offer being up to 100,000 Equity Shares of face value of ₹1 each aggregating up to ₹ [●] million which shall not exceed 5% of the post Offer Equity Share capital of our Company, available for allocation to Eligible Employees, on a proportionate basis. |
| | The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000. |
| Escrow Account(s) | Account(s) opened with the Escrow Collection Bank and in whose favour Anchor Investors will transfer the money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount while submitting a Bid. |
| Escrow Collection Bank | 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 has been opened, in this case being HDFC Bank Limited. |
| First Bidder or Sole Bidder | The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names. |
| Floor Price | The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted. |
| Fresh Issue | The issue of [●] Equity Shares of face value of ₹1 each, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 26,260 million by our Company. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018. |
| General Information Document | The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020, issued by SEBI and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs. |
| Gross Proceeds | The gross proceeds of the Fresh Issue that will be available to our Company. |
| HSBC | HSBC Securities and Capital Markets (India) Private Limited |
| JM Financial | JM Financial Limited |
| Monitoring Agency | Care Ratings Limited |
| Monitoring Agency Agreement | The agreement dated March 17, 2025 read with amendment agreement dated April 4, 2025 entered into between our Company and the Monitoring Agency prior to filing of this Red Herring Prospectus. |
| Mutual Fund Portion | The portion of the Offer being 5% of the Net QIB Portion consisting of [●] Equity Shares of face value of ₹1 each, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price. |
| Mutual Funds | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996. |

| Term | Description |
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| Net Offer | The Offer less the Employee Reservation Portion |
| Net Proceeds | Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see " <i>Objects of the Offer</i> " beginning on page 166. |
| Net QIB Portion | The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors. |
| Nomura | Nomura Financial Advisory and Securities (India) Private Limited |
| Non-Institutional Bidder(s) or Non-Institutional Investor(s) or NII(s) or NIB(s) | Bidders that are not QIBs or RIIs and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs). |
| Non-Institutional Portion | The portion of the Offer being not more than 15% of the Net Offer consisting of [●] Equity Shares of face value of ₹1 each, which shall be available for allocation to Non-Institutional Bidders, of which (a) one-third portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (b) two-thirds portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. |
| Non-Resident | A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs. |
| Offer | Initial public offering of [●] Equity Shares of face value of ₹1 each, for cash at a price of ₹ [●] per Equity Share comprising of a Fresh Issue aggregating up to ₹ 26,260 million and an Offer for Sale. The Offer comprises the Net Offer and the Employee Reservation Portion. |
| Offer Agreement | The agreement dated September 9, 2024 executed among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer. |
| Offer for Sale | The offer for sale of up to 11,051,746 Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million by the Selling Shareholders in the Offer. For further information, see " <i>The Offer</i> " beginning on page 107. |
| Offer Price | <p>The final price at which Equity Shares will be Allotted to successful Bidders other than Anchor Investors in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company in consultation with the BRLMs on the Pricing Date, in accordance with the Book-Building Process and in terms of this Red Herring Prospectus.</p> <p>A discount of [●] % on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. This Employee Discount, if any, will be decided by our Company in consultation with the BRLMs.</p> |
| Offered Shares | Up to 11,051,746 Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million being offered for sale by the Selling Shareholders in the Offer for Sale. |
| Price Band | <p>The price band ranging from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereof. The Price Band and minimum Bid Lot, as decided by our Company in consultation with the BRLMs will be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Bengaluru editions of Vishwavani (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.</p> <p>Provided that the Cap Price shall be at least 105% of the Floor Price and shall not be greater than 120% of the Floor Price.</p> |
| Pricing Date | The date on which our Company in consultation with the BRLMs, will finalise the Offer Price. |
| Prospectus | The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto. |
| Public Offer Account | The bank account opened with the Public Offer Account Bank under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date. |
| Public Offer Account Bank | Bank which are clearing members and registered with SEBI as bankers to an issue, and with whom the Public Offer Account(s) has been opened, in this case being Axis Bank |

| Term | Description |
|--|---|
| | Limited. |
| QIB Bid/ Offer Closing Date | In the event our Company in consultation with the BRLMs, decide to close Bidding by QIBs one day prior to the Bid/Offer Closing Date, the date one day prior to the Bid/Offer Closing Date; otherwise it shall be the same as the Bid/Offer Closing Date. |
| QIB Bidders | QIBs who Bid in the Offer. |
| QIB Portion | The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer consisting of [●] Equity Shares of face value of ₹1 each, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs up to a limit of 60% of the QIB Portion), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors). |
| QIBs or Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. |
| Red Herring Prospectus or RHP | This Red Herring Prospectus dated April 22, 2025 to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the Offer Price, including any addenda or corrigenda thereto. This Red Herring Prospectus has been filed with the RoC at least three working days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date. |
| Refund Account | The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made. |
| Refund Bank | The Banker to the Offer with whom the Refund Account has been opened, in this case being HDFC Bank Limited. |
| Registered Brokers | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of the SEBI ICDR Master Circular and other applicable circulars issued by SEBI. |
| Registrar Agreement | The agreement dated September 6, 2024 entered into between our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer. |
| Registrar to the Offer or Registrar | MUFG Intime India Private Limited (<i>Formerly Link Intime India Private Limited</i>) |
| Resident Indian | A person resident in India, as defined under FEMA. |
| Retail Individual Bidder(s) or Retail Individual Investor(s) or RII(s) or RIB(s) | Individual Bidders, who have Bid for the Equity Shares for an amount which is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs). |
| Retail Portion | The portion of the Offer being not more than 10% of the Net Offer consisting of [●] Equity Shares of face value of ₹1 each, available for allocation to Retail Individual Investors as per the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price. |
| Revision Form | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. |
| RTAs or Registrar and Share Transfer Agents | The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the SEBI ICDR Master Circular and other applicable circulars issued by SEBI. |
| Self Certified Syndicate Bank(s) or SCSB(s) | The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or such other website as updated from time to time, and (ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in Public Issues” displayed on the SEBI website at |

| Term | Description |
|---|---|
| | www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43. The said list shall be updated on the SEBI website from time to time. |
| Share Escrow Agent | MUFG Intime India Private Limited (<i>Formerly Link Intime India Private Limited</i>) |
| Share Escrow Agreement | The agreement dated April 5, 2025 entered into among our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment. |
| Specified Locations | Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders. |
| Sponsor Bank (s) | Bank(s) registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and/ or payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars, in this case being HDFC Bank Limited and Axis Bank Limited. . |
| Sub-Syndicate Members | The sub-syndicate members, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms, in this case JM Financial Services Limited. |
| Syndicate Agreement | The agreement dated April 22, 2025 entered into among our Company, the Registrar to the Offer, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to the procurement of Bid cum Application Forms by the Syndicate. |
| Syndicate Members | Syndicate members as defined under Regulation 2(1)(hhh) of the SEBI ICDR Regulations. |
| Syndicate or Members of the Syndicate | The BRLMs and the Syndicate Members. |
| Underwriters | [●]. |
| Underwriting Agreement | The agreement to be entered into among the Underwriters, our Company, the Selling Shareholders and the Registrar, on or after the Pricing Date but prior to filing of the Prospectus with the RoC. |
| UPI | Unified Payments Interface, which is an instant payment mechanism, developed by NPCI. |
| UPI Bidders | Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Portion, (ii) Non-Institutional Bidders, (iii) Eligible Employees who applied in the Employee Reservation Portion and with an application size of up to ₹ 500,000 (net of Employee Discount, if any) in the Non-Institutional Portion 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 the SEBI ICDR Master Circular, all individual investors applying in public issues where the application amount is up to ₹ 500,000 are required to use UPI Mechanism and are required to 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 issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity). |
| UPI Circulars | SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI master circular with circular number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024 (to the extent that such circulars pertain to the UPI Mechanism), SEBI ICDR Master Circular and any subsequent circulars or notifications issued by SEBI in this regard, along with the circulars issued by the Stock Exchanges in this regard, including the circular issued by the NSE having reference number 25/2022 dated August 3, 2022, and the circular issued by BSE having reference number 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard. |
| UPI ID | ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India. |
| UPI Mandate Request | A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS directing the UPI Bidder to such UPI 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 | The bidding mechanism that shall be used by UPI Bidders to make a Bid in the Offer in accordance with UPI Circulars. |
| UPI PIN | Password to authenticate UPI transaction. |
| Wilful Defaulter or Fraudulent Borrower | Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations. |

| Term | Description |
|-------------|---|
| Working Day | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, the expression “Working Day” shall mean all days on which commercial banks in Mumbai are open for business, excluding all Saturdays, Sundays or public holidays; and (c) with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, the expression ‘Working Day’ shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, in terms of the circulars issued by SEBI. |

Technical/ Industry and Business-Related Abbreviations

| Term | Description |
|---|--|
| 2W | Two-wheeler |
| 9M | Nine months of the respective Fiscal Year |
| ADC | Ather Drive Controller |
| Adjusted Gross Margin | Total income less cost of material consumed, purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress |
| Adjusted Gross Margin Excluding Subsidies | Adjusted Gross Margin less government subsidies under the FAME, EMPS and PM E-Drive scheme |
| APDS | Ather Product Development System |
| AIS | Automotive Industry Standards |
| API | Application Programming Interface |
| ARAI | Automotive Research Association of India |
| Ather Data Platform | A cloud management software developed in-house that processes data from our E2Ws in real-time and extracts insights |
| ASDK | Ather Software Development Kit |
| Battery packs | A rechargeable energy storage device that distributes the energy necessary for the operation of a vehicle. A typical battery pack primarily consists of battery cells, battery management system and thermal management systems. Battery packs may be recharged by connecting to a power source through public charging infrastructures or home chargers |
| BIS | Bureau of Indian Standards |
| BMS | Battery management system |
| BOM | Bill of materials |
| COGS | Sum of cost of materials consumed, purchase of stock-in-trade, change in inventories of finished goods, stock-in-trade and work-in-progress |
| CSR | Corporate social responsibility |
| DC-DC Converter | An electronic circuit or electromechanical device that converts a source of direct current (“DC”) from one voltage level to another |
| DMS | Dealer management system |
| DSIR | Department of Scientific and Industrial Research |
| E2W | Electric two-wheeler |
| EHSS | Environmental, health, safety and social |
| EMPS 2024/EMPS | Ministry of Heavy Industries, Government of India’s electric mobility promotion scheme subsidy provided to customers who purchase EVs in order to encourage faster adoption of electric mobility and the development of its manufacturing ecosystem in India |
| ESG | Environmental, social and governance |
| EVs | Electric vehicles |
| FAME | Ministry of Heavy Industries, Government of India’s faster adoption and manufacturing of hybrid and electric vehicles subsidy provided to customers who purchase EVs in order to encourage Faster Adoption Of Electric Mobility and the development of its manufacturing ecosystem in India |
| GHG | Greenhouse gas |
| HMI | Human machine interaction |
| ICE | Internal combustion engine |
| Key Performance Indicators or KPIs | Key numerical measures of our Company’s historical financial and/or operational performance, which our management evaluates and tracks to monitor our performance and which provides information to the investors to make an informed decision with respect to the valuation of our Company |
| LECCS | Light Electric Combined Charging System |
| LFP | Lithium-fero phosphate |
| MCU | Motor control unit |

| Term | Description |
|------------------------------------|--|
| MES | Manufacturing execution system |
| NMC | Nickel manganese cobalt oxide |
| OEM | Original equipment manufacturer |
| OTA | Over-the-air |
| PCBA | Printed circuit board assembly |
| PLMS | Product lifecycle management system |
| PMSM | Permanent magnet synchronous motor |
| Production Linked Incentive Scheme | Production-linked incentive scheme launched by the Government of India across various sectors to boost domestic manufacturing, reduce import dependence, encourage exports and generate employment |
| PM E-Drive Scheme/ PM E-Drive | PM Electric Drive Revolution in Innovative Vehicle Enhancement Scheme, 2024 |
| R&D | Research and development |
| SIPCOT | State Industrial Promotion Corporation of Tamil Nadu |
| SOP | Start of Production |
| TAAS | Think As A Species |
| TCO | Total cost of ownership |
| VCU | Vehicle Control Unit |

Conventional and General Terms or Abbreviations

| Term | Description |
|---|--|
| ₹ or Rs. or Rupees or INR | Indian rupees. |
| AGM | Annual General Meeting. |
| AIF | An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| Bangalore/Bengaluru | The term Bangalore has been interchangeably used as Bengaluru. |
| BSE | BSE Limited. |
| CAGR | Compound annual growth rate. |
| Category I AIF | AIFs registered as “Category I alternative investment funds” under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| Category I FPI | FPIs registered as “Category I foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. |
| Category II AIF | AIFs registered as “Category II alternative investment funds” under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| Category II FPI | FPIs registered as “Category II foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. |
| CCPS | Compulsorily convertible preference shares. |
| CDSL | Central Depository Services (India) Limited. |
| CIN | Corporate Identity Number. |
| Companies Act | The Companies Act, 1956 and the Companies Act, 2013, as applicable. |
| Companies Act, 1956 | The erstwhile Companies Act, 1956 along with the relevant rules made thereunder. |
| Companies Act, 2013 | Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended to the extent currently in force. |
| DDT | Dividend distribution tax. |
| Depositories | NSDL and CDSL. |
| Depositories Act | The Depositories Act, 1996, read with regulations framed thereunder. |
| DIN | Director Identification Number. |
| DP ID | Depository Participant’s Identity Number. |
| DP or Depository Participant | A depository participant as defined under the Depositories Act. |
| EGM | Extraordinary General Meeting. |
| EIA Notification | Environmental Impact Assessment Notification, 2006. |
| EPS | Earnings Per Share. |
| ESOP | Employee stock option plan |
| Factories Act | Factories Act, 1948 |
| FCNR | Foreign currency non-resident account. |
| FDI | Foreign Direct Investment. |
| FDI Policy | The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time. |
| FEMA | The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder, as amended. |
| FEMA Non-Debt Instruments Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI. |
| Financial Year or Fiscal or Fiscal Year | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. |
| FPI(s) | Foreign portfolio investors as defined under the SEBI FPI Regulations. |

| Term | Description |
|---|--|
| FVCI | Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations. |
| GoI or Government or Central Government | The Government of India. |
| GST | Goods and services tax. |
| HUF | Hindu undivided family. |
| ICAI | The Institute of Chartered Accountants of India. |
| IFRS | International Financial Reporting Standards of the International Accounting Standards Board. |
| Income Tax Act | The Income-tax Act, 1961, read with the rules framed thereunder. |
| Income Tax Rules | The Income-tax Rules, 1962. |
| Ind AS | The Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under Companies (Indian Accounting Standard) Rules, 2015, as amended. |
| India | Republic of India. |
| Indian GAAP | Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended and the Companies (Accounts) Rules, 2014, as amended. |
| IPO | Initial public offering. |
| IST | Indian Standard Time. |
| IT Act | The Information Technology Act, 2000 |
| MCA | The Ministry of Corporate Affairs, Government of India. |
| Mn or mn | Million. |
| N.A. | Not applicable. |
| NAV | Net asset value |
| NBFC-SI | A systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| NEFT | National Electronic Fund Transfer. |
| NPCI | National Payments Corporation of India. |
| NRI | A person resident outside India, who is a citizen of India or an overseas citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955. |
| NSDL | National Securities Depository Limited. |
| NSE | The National Stock Exchange of India Limited. |
| OCB or 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 trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer. |
| P/E Ratio | Price / earnings ratio. |
| PAN | Permanent account number. |
| PAT | Profit after tax. |
| RBI | Reserve Bank of India. |
| Regulation S | Regulation S under the U.S. Securities Act. |
| RTGS | Real time gross settlement. |
| Rule 144A | Rule 144A under the U.S. Securities Act. |
| SCORES | SEBI complaints redress system. |
| SCRA | The Securities Contracts (Regulation) Act, 1956. |
| SCRR | The Securities Contracts (Regulation) Rules, 1957. |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992. |
| SEBI (Merchant Bankers) Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. |
| SEBI Act | The Securities and Exchange Board of India Act, 1992. |
| SEBI AIF Regulations | The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012. |
| SEBI BTI Regulations | The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994. |
| SEBI FPI Regulations | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014. |
| SEBI FVCI Regulations | The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| SEBI ICDR Master Circular | SEBI master circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024. |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. |
| SEBI Listing Regulations | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. |
| SEBI RTA Master Circular | SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024. |
| SEBI SBEB & SE Regulations | Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. |
| SEBI VCF Regulations | Erstwhile, the Securities and Exchange Board of India (Venture Capital Fund) Regulations, |

| Term | Description |
|--|---|
| | 1996. |
| State Government | The government of a state in India. |
| Stock Exchanges | Collectively, the BSE and NSE. |
| Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. |
| TAN | Tax deduction account number. |
| U.S. | The United States of America |
| U.S. Dollar(s) or USD or US Dollar | United States Dollar |
| U.S. GAAP | Generally accepted accounting principles in the United States of America. |
| U.S. QIBs | Persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act in the United States |
| U.S. Securities Act | The U.S. Securities Act of 1933, as amended. |
| VCFs | Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations and the SEBI AIF Regulations. |
| WACA/ Weighted Average Cost of Acquisition | The Weighted Average Cost of Acquisition (WACA) per equity share is calculated using the following formula (as adjusted to the sub division in the face value of equity shares): Total cumulative consideration paid for the shares acquired divided by the cumulative number of equity shares acquired. |
| Year/ Calendar Year/ CY | The 12-month period ending December 31. |

Key Performance Indicators (As identified in the Basis for Offer Price section)

| Term | Description |
|---|--|
| Adjusted Gross Margin (%) | Adjusted Gross Margin (%) divided by total income |
| E2W Market Share (%) | E2W Market Share (%) is the proportion of electric two-wheelers sold by a particular company compared to the total number of electric two-wheelers sold in a specific region or market |
| EBITDA Margin (%) | EBITDA Margin (%) is calculated as EBITDA divided by total income |
| EBITDA (INR) in Million) | Earnings before exceptional items and tax plus finance cost and depreciation and amortization expenses |
| Profit / (Loss) for the year/period (INR in Million) and Profit / (Loss) for the year/period Margin (%) | Profit / (Loss) for the year/period margin (%) is calculated as Profit / (Loss) for the Fiscal Year/period divided by Total income in the relevant year/ period*100 |
| Revenue from Operations (INR in Million) | Revenue from operations is the revenue from sale of products and services including sale of finished goods, stock-in-trade and services |
| Revenue growth (Year-on-year/period-on-period) | Year-on-year / period-on-period growth in Revenue from Operations (%) is calculated as ((Revenue from operations during the relevant Fiscal Year/period – revenue from operations during the relevant previous Fiscal Year/period)/ revenue from operations during the relevant previous Fiscal Year/period) *100. |
| Revenue mix (%) | Sale of Vehicles (%) is calculated as Revenue from sale of vehicles divided by revenue from operations *100 and sale of Non-Vehicle (%) is calculated as revenues from operations reduced by revenue from sale of vehicles divided by Revenue from Operations *100 |
| Revenue per unit of Two Wheeler Vehicle sold (In INR) | Revenue per unit of Two Wheeler Vehicle sold measures the average revenue generated per two wheeler sold, provides insight and helps track our sales strategy, ability to price at a premium and product mix. |
| Vehicles sold (Numbers in thousands) | Vehicles sold refers to the volume of new vehicles sold during the relevant Fiscal Year / period |
| Vehicles sold growth (Year-on-year/period-on-period) | Year-on-year / period-on-period growth of Vehicles Sold (%) is calculated as ((Number of vehicles sold during the relevant Fiscal Year/period – Number of vehicles sold during the relevant previous Fiscal Year/period)/ Number of vehicles sold during the relevant previous Fiscal Year/period) *100 |
| Working Capital Days | Working Capital Days describes how many days it takes for the company to convert its working capital into revenue and is computed as Trade Receivables days plus inventory days minus trade payable days; wherein, Trade Receivable Days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Financial Years or 275 days for the nine months ended December 31 (as applicable), Inventory Days is calculated as average inventory divided by cost of goods sold multiplied by 365 for Financial Years or 275 days for the nine months ended December 31 (as applicable) and Trade Payable Days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for Financial Years or 275 days for the nine months ended December 31. Further Cost of Goods Sold is the sum of Cost of materials consumed, Purchase of stock-in-trade and Change in inventories of finished goods, stock-in-trade and work-in-progress |

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Red Herring Prospectus to ‘India’ are to the Republic of India and its territories and possessions and all references herein to the ‘Government’, ‘Indian Government’, ‘GoI’, ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable. Further, references to Bangalore shall be construed to be to Bengaluru, and vice-versa.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

Unless otherwise stated, all references to page numbers in this Red Herring Prospectus are to page numbers of this Red Herring Prospectus.

Currency and Units of Presentation

All references to “*Rupee(s)*”, “*Rs.*” or “*₹*” or “*INR*” are to Indian Rupees, the official currency of the Republic of India. All references to “*U.S. Dollar(s)*” or “*USD*” or “*US Dollar*” are to United States Dollars, the official currency of the United States of America.

Exchange Rates

This Red Herring Prospectus contains conversion of U.S. Dollar into Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be considered as a representation that such U.S. Dollar amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated below or at all. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of U.S. Dollar amounts into Rupee amounts, are as follows:

| Currency | Exchange rate as on | | | | |
|----------|---------------------|-------------------|----------------|----------------|----------------|
| | December 31, 2024 | December 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| 1 USD | 85.62 | 83.11 | 83.37 | 82.22 | 75.81 |

(in ₹)

Source: www.fbil.org.in

Note: If the reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed. The reference rates are rounded off to two decimal places.

Financial and Other Data

Unless stated or the context requires otherwise, the financial information and the financial ratios in this Red Herring Prospectus is derived from our Restated Financial Information.

The restated financial information of our Company as at and for the nine months ended December 31, 2024 and December 31, 2023 and as at and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 comprising the restated statement of assets and liabilities as at December 31, 2024, December 31, 2023, March 31, 2024, March 31, 2023 and March 31, 2022, the restated statement of profit and loss (including other comprehensive income), the restated statement of changes in equity and the restated statement of cash flow for the nine months ended December 31, 2024 and December 31, 2023 and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, the summary of material accounting policies and other explanatory information prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, as amended, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended.

For further information of our Company’s financial information, please see “**Financial Information**” beginning on page 359.

Our Company’s fiscal year commences on April 1 of each year and ends on March 31 of the next year. Accordingly, all references to a particular fiscal year (referred to herein as “Fiscal”, “Fiscal Year”, “Financial Year”) are to the 12 months ended March 31 of that particular year, unless otherwise specified. The financial

information for the nine months ended December 31, 2024 and December 31, 2023 should not be taken as an indication of the expected financial condition or results of operations of our Company for the relevant full Fiscal Year, and are not comparable with the financial information for Fiscal Year 2024, 2023 and 2022.

The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should, accordingly, be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For details, see ***“Risk Factors – Indian accounting standard (“Ind AS”) and other accounting principles, such as international financial reporting standards (“IFRS”) and United States generally accepted accounting principles (“US GAAP”) have significant differences, which may be material to investors’ assessments of our financial condition”*** on page 101.

All the figures in this Red Herring Prospectus have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000. Certain figures contained in this Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Certain figures in decimals have been rounded off to the two decimal points. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”*** and ***“Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** on pages 43, 257 and 436, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Financial Information.

Non-Generally Accepted Accounting Principles Financial Measures

This Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like Adjusted Gross Margin, EBITDA, EBITDA Margin, Profit / (Loss) for the year Margin and certain other supplemental statistical information relating to our operations and financial performance (together, “Non-GAAP Measures”) that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to profit/ (loss) for the years, cash flows, liquidity or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. For the risks relating to our Non-GAAP Measures, see ***“Risk Factors – We track certain operational metrics and non-GAAP (generally accepted accounting principles) measures for our operations with internal systems and tools and do not independently verify such metrics. Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation.”*** on page 93.

Industry and Market Data

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources. 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. Accordingly, no investment decision should be made solely on the basis of such information. Further, industry sources and publications are also prepared based on information as of a specific date and may no longer be current or reflect current trends.

Unless stated otherwise, industry and market data used in this Red Herring Prospectus is derived from the report titled, “**Assessment of Electric Two-wheeler Industry in India**” dated March, 2025 (“**CRISIL Report**”) prepared by CRISIL appointed by our Company pursuant to engagement letters dated May 7, 2024 and January 17, 2025, and such CRISIL Report has been commissioned by and paid for by our Company, exclusively in connection with the Offer. Further, CRISIL pursuant to their consent letter dated March 11, 2025 has accorded its no objection and consent to use the CRISIL Report in connection with the Offer and has also confirmed that it is an independent agency, and that it is not related to our Company, our Directors, our Promoters, our Key Managerial Personnel or our Senior Management or the BRLMs.

The CRISIL Report is available on the website of our Company at <https://www.atherenergy.com/investor-relations/offer-documents>.

CRISIL Intelligence (formerly known as CRISIL Market Intelligence & Analytics, a division of CRISIL Limited) has required us to include the following in connection with the CRISIL Report:

“**About CRISIL INTELLIGENCE**

CRISIL INTELLIGENCE (formerly known as CRISIL Market Intelligence & Analytics, a division of CRISIL Limited) (CRISIL), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL operates independently of CRISIL’s other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL’s informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL’s strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.

For the preparation of this report, CRISIL has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is prepared for use in the Offer Documents to be filed by the Company with the RoC, SEBI and the Stock Exchanges in India. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India.”

The extent to which industry and market data set forth in this Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “**Risk Factors – We have used information from the CRISIL Report which we commissioned and paid for exclusively in relation to the Offer and any reliance on information therein is subject to inherent risks**” on page 92.

In accordance with the SEBI ICDR Regulations, the section “**Basis for Offer Price**” on page 196, includes information relating to our peer group companies and industry averages. Such information has been derived from publicly available sources. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect.

Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs”; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”) in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside of the United States in offshore transactions as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. See “**Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions**” on page 493.

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

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements, which may include statements with respect to our business strategy, our revenue and profitability, our goals and other such matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. These forward-looking statements generally can be identified by words or phrases such as “*aim*”, “*anticipate*”, “*believe*”, “*goal*”, “*expect*”, “*estimate*”, “*intend*”, “*likely to*”, “*objective*”, “*plan*”, “*projected*”, “*should*”, “*will*”, “*will continue*”, “*seek to*”, “*will pursue*” or other words or phrases of similar import. Similarly, statements that describe our expected financial conditions, results of operations, strategies, objectives, prospects, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All forward-looking statements whether made by us or any third parties in this Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses 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 and globally which have an impact on our 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, incidence of any natural calamities and/or acts of violence, changes in laws, regulations and taxes and changes in competition in our industry.

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

- Other than the batteries that we manufacture in-house, we rely on our suppliers to provide all other EV components used in assembling our E2Ws in-house. Any loss of key suppliers, or any failure or refusal by them to supply such components to us could cause business disruptions.
- we have received some customer complaints pertaining to our products in the past. There is no assurance that we will not receive similar complaints in the future or that we will be able to address such customer complaints in a timely manner or at all.
- we have incurred losses since incorporation. We had stagnant revenue growth in Fiscal Year 2024 and loss before tax of ₹5,779 million and ₹10,597 million in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. There is no assurance that we will be cost effective in our operations or achieve profitability in the future.
- we have incurred negative cash flows from operations continuously since incorporation. We had net cash used in operating activities of ₹7,171 million and ₹2,676 million in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. Negative cash flows may adversely impact our liquidity and prospects.
- our limited operating history makes evaluating our business and future prospects difficult and our historical performance may not be indicative of future performance.
- our future growth is dependent on the demand for and adoption of electric two-wheelers. According to the CRISIL Report, we had a 10.7% and 11.5% market share of the Indian E2W market in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. If the market does not develop as we expect, or develops at a speed that is slower than anticipated, our business, prospects, financial condition and operating results will be affected.
- the lithium-ion cells used in our electric two-wheelers’ battery packs could catch on fire or vent smoke even if properly manufactured, managed or controlled. Such instances could subject us to adverse publicity, which may impact our brand, business, prospects, financial condition and results of operations.
- any disruptions in the availability and any changes in the pricing and quality of lithium-ion cells could cause significant disruptions to and adversely impact our business operations.
- we rely on imports from certain countries, such as China, and supplies of such imports may be disrupted by changes in government regulations or policies, deterioration in economic conditions or escalation of trade tensions.

- there are outstanding legal proceedings against our Company, certain of our Promoters and our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, cash flows and reputation.

For a further discussion on factors that could cause our actual results to differ from our expectations, see “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 43, 257 and 436, respectively. 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 gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect our views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on the currently available information. Although we believe 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. None of our Company, Directors, the Selling Shareholders, and the BRLMs or their respective affiliates 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. There can be no assurance to 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 to be a guarantee of our future performance.

In accordance with regulatory requirements of SEBI and as prescribed under applicable law, our Company will ensure that investors in India are informed of material developments from the date of filing of this Red Herring Prospectus until the date of Allotment. In accordance with the requirements of SEBI, each of the Selling Shareholders, shall, severally and not jointly, ensure that our Company is informed of material developments in relation to the statements and undertakings specifically made or confirmed by it in relation to its portion of Offered Shares in this Red Herring Prospectus until the date of Allotment. Only statements and undertakings which are specifically confirmed or undertaken by each of the Selling Shareholders to the extent of information pertaining to it and/or its respective portion of the Offered Shares, as the case may be, in this Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder, as of the date of this Red Herring Prospectus.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled “Risk Factors”, “The Offer”, “Capital Structure”, “Objects of the Offer”, “Industry Overview”, “Our Business”, “Financial Information”, “Our Promoters and Promoter Group”, “Outstanding Litigation and Material Developments”, “Offer Procedure” and “Provisions of the Articles of Association” beginning on pages 43, 107, 124, 166, 216, 257, 359, 351, 476, 519 and 453 respectively.

Summary of Business

We are a pure play EV company that sells E2Ws and the associated product ecosystem, comprised of our software, charging infrastructure and smart accessories, all of which are conceptualised and designed by us in India. We manufacture battery packs in-house using lithium-ion cells procured from suppliers and outsource the manufacturing of all other vehicle components, such as electronics and chassis. We procure chargers and motors used in our E2Ws from our suppliers who design and manufacture them. We assemble our E2Ws in-house. Our E2W portfolio comprises two product lines, the Ather 450 and the Ather Rizta, with seven variants. The Atherstack, our in-house developed software, provides features related to navigation, analytics, ride assistance, safety and productivity, and is integrated with our product ecosystem. Our products are positioned at premium prices in their respective segments. For further details, see “**Our Business**” on page 257.

Summary of Industry

According to the CRISIL Report, India is the largest global motorised 2W market by volume with 18.4 million units sold in Fiscal Year 2024, of which 16% were exports. In the nine months ended December 31, 2024, exports accounted for 17% of the overall 2W sales in India. There is increasing preference for premium vehicles within the 2W industry, with a growth in market share of motorcycles and scooters with an engine capacity of 125 cc and beyond between Fiscal Years 2019 and 2024. The launch of EVs at competitive prices with advanced features is accelerating E2W growth, which is expected to reach ~10.3 – ~12.3 million units by Fiscal Year 2031. The sharp increase in EV launches, favourable government support, continuation of incentives and benefits, faster momentum in infrastructure development, further lowering of battery prices and improving local value chain is expected to enable a faster shift towards electrifications. Such electrification and premiumisation trends present a large domestic and international opportunity for E2W players.

For further details, see “**Industry Overview**” on page 216.

Promoters

The Promoters of our Company are Tarun Sanjay Mehta, Swapnil Babanlal Jain and Hero MotoCorp Limited.

For further details, see “**Our Promoters and Promoter Group**” on page 351.

Offer Size

The following table summarizes the details of the Offer. For further details, see “**The Offer**” and “**Offer Structure**” beginning on pages 107 and 514, respectively.

| | |
|---|---|
| Offer | [●] Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million |
| of which | |
| Fresh Issue ⁽¹⁾ | [●] Equity Shares of face value of ₹1 each, aggregating up to ₹ 26,260 million |
| Offer for Sale ⁽²⁾ | Up to 11,051,746 Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million by the Selling Shareholders |
| The Offer consists of: | |
| Employee Reservation Portion ⁽³⁾ | Up to 100,000 Equity Shares of face value of ₹1 each, aggregating up to ₹ [●] million |
| Net Offer | [●] Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million |

(1) The Offer has been authorized by a resolution of our Board dated August 27, 2024. Our Shareholders have authorised the Fresh Issue pursuant to their special resolution passed at the EGM dated September 5, 2024.

(2) Our Board has taken on record the authorisations for the Offer for Sale by each of the Selling Shareholders pursuant to its resolution dated April 4, 2025. For details of authorisations received from the Selling Shareholders for the Offer for Sale, see “**Other Regulatory**

and Statutory Disclosures – Authority for the Offer – Consents from the Selling Shareholders” on page 492. The Offered Shares are eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations. Further, each Selling Shareholder has, severally and not jointly, confirmed compliance with and will severally and not jointly comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable. For further details, see “**The Offer**” and “**Other Regulatory and Statutory Disclosures**” beginning on pages 107 and 492, respectively.

- (3) Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion after allocation of up to ₹ 500,000 (net of Employee Discount, if any), shall be added to the Net Offer. Our Company, in consultation with the BRLMs, may offer a discount of [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see “**Offer Procedure**” and “**Offer Structure**” beginning on pages 519 and 514, respectively.

The Offer shall constitute [●]% of the post-Offer paid up equity share capital of our Company. See “**The Offer**” and “**Offer Structure**” beginning on pages 107 and 514, respectively.

Objects of the Offer

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

| S. No | Particulars | Amount (in ₹ million) |
|-------|---|--------------------------|
| 1. | Capital expenditure to be incurred by our Company for establishment of an E2W factory in Maharashtra, India | 9,272 |
| 2. | Repayment/ pre-payment, in full or part, of certain borrowings availed by our Company | 400 |
| 3. | Investment in research and development | 7,500 |
| 4. | Expenditure towards marketing initiatives | 3,000 |
| 5. | General corporate purposes ⁽¹⁾ | [●] |
| 6. | Total Net Proceeds | [●] |

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

For further details, see “**Objects of the Offer**” on page 166.

Aggregate pre-Offer Shareholding of our Promoters, members of our Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding and percentage of the pre-Offer paid-up Equity Share capital, of each of our Promoters, members of our Promoter Group and Selling Shareholders as on the date of this Red Herring Prospectus is set forth below:

| S. No | Name of the shareholder | Number of Equity Shares of face value of ₹ 1 each | Percentage of pre-Offer Equity Share capital, on a fully diluted basis (%) [^] |
|-----------------------|---|---|---|
| Promoters | | | |
| 1. | Tarun Sanjay Mehta | 20,517,732 | 6.81 |
| 2. | Swapnil Babanlal Jain | 20,517,732 | 6.81 |
| 3. | HMCL | 115,083,252 | 38.19 |
| Total (A) | | 156,118,716 | 51.80 |
| Promoter Group | | | |
| 4. | Mehta Family Trust (Trustee is Tarun Sanjay Mehta; Beneficiaries include Sanjay Surajraj Mehta, Sangeeta Mehta, Divya Mehta, Swarna Srimal Mehta and Tarun Swarna Family Trust) | 783,000 | 0.26 |
| 5. | Tarun Swarna Family Trust (Trustee is Tarun Sanjay Mehta; Beneficiaries include Swarna Srimal Mehta, Aarohi Mehta, other children of Tarun Sanjay | 522,000 | 0.17 |

| S. No | Name of the shareholder | Number of Equity Shares of face value of ₹ 1 each | Percentage of pre-Offer Equity Share capital, on a fully diluted basis (%) [^] |
|------------------------------|--|---|---|
| | Mehta and lineal descendants of any other children of Tarun Sanjay Mehta and lineal descendants of AaroHi Mehta) | | |
| 6. | Swapnil Jain Family Trust (Trustee is Swapnil Babanlal Jain; Beneficiaries include Rajulmati Babanlal Jain, Swapnil Babanlal Jain, Chitra C R and lineal descendants of Swapnil Babanlal Jain) | 652,500 | 0.22 |
| 7. | Jain Family Trust (Trustee is Swapnil Babanlal Jain; Beneficiaries include Rajulmati Babanlal Jain, Chitra C R and lineal descendants of Swapnil Babanlal Jain) | 652,500 | 0.22 |
| Total (B) | | 2,610,000 | 0.87 |
| Selling Shareholders* | | | |
| 8. | Caladium Investment Pte Ltd | 46,514,376 | 15.43 |
| 9. | National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 20,412,027 | 6.77 |
| 10. | Internet Fund III Pte. Ltd. | 19,760,832 | 6.56 |
| 11. | IITM Incubation Cell | 1,372,860 | 0.46 |
| 12. | IITMS Rural Technology and Business Incubator | 185,310 | 0.06 |
| 13. | Amit Bhatia | 18,531 | 0.01 |
| Total (C) | | 88,263,936 | 29.29 |
| Total (D=A+B+C) | | 246,992,652 | 81.96 |

* Swapnil Babanlal Jain and Tarun Sanjay Mehta are also Promoter Selling Shareholders.

** Less than 0.005%.

[^] Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those resulting upon exercise of vested options under the ESOP Scheme.

For further details, see “**Capital Structure**” beginning on page 124.

Shareholding of our Promoters, members of our Promoter Group and additional top 10 Shareholders of our Company

The aggregate pre-Offer and post-Offer shareholding, of each of our Promoters, members of our Promoter Group and additional top 10 Shareholders (apart from Promoters) as on the date of this Red Herring Prospectus is set forth below:

| S. No. | Pre-Offer Shareholding as on date of this Red Herring Prospectus | | | Post-Offer Shareholding as at Allotment ^{*3} | | | |
|------------------|--|--|---|--|--|--|--|
| | Name of the Shareholder | Number of Equity Shares of face value of ₹ 1 each ² | Pre-Offer Shareholding, on a fully diluted basis (%) ² | At the lower end of the Price Band (₹[●] ^{*)} | | At the upper end of the Price Band (₹[●] ^{*)} | |
| | | | | Number of Equity Shares of face value of ₹ 1 each [*] | Post-offer Shareholding (%) [*] | Number of Equity Shares of face value of ₹ 1 each [*] | Post-offer Shareholding (%) [*] |
| Promoters | | | | | | | |
| 1. | Tarun Sanjay Mehta | 20,517,732 | 6.81 | [●] | [●] | [●] | [●] |
| 2. | Swapnil | 20,517,732 | 6.81 | [●] | [●] | [●] | [●] |

| S. No. | Pre-Offer Shareholding as on date of this Red Herring Prospectus | | | Post-Offer Shareholding as at Allotment ^{*3} | | | |
|---------------------------------------|---|--|---|---|------------------------------|--|------------------------------|
| | Name of the Shareholder | Number of Equity Shares of face value of ₹ 1 each ² | Pre-Offer Shareholding, on a fully diluted basis (%) ² | At the lower end of the Price Band (₹[●]*) | | At the upper end of the Price Band (₹[●]*) | |
| | | | | Number of Equity Shares of face value of ₹ 1 each* | Post-offer Shareholding (%)* | Number of Equity Shares of face value of ₹ 1 each* | Post-offer Shareholding (%)* |
| | Babanlal Jain | | | | | | |
| 3. | HMCL | 115,083,252 | 38.19 | [●] | [●] | [●] | [●] |
| Promoter Group¹ | | | | | | | |
| 4. | Mehta Family Trust | 783,000 | 0.26 | [●] | [●] | [●] | [●] |
| 5. | Tarun Swarna Family Trust | 522,000 | 0.17 | [●] | [●] | [●] | [●] |
| 6. | Swapnil Jain Family Trust | 652,500 | 0.22 | [●] | [●] | [●] | [●] |
| 7. | Jain Family Trust | 652,500 | 0.22 | [●] | [●] | [●] | [●] |
| Additional top 10 Shareholders | | | | | | | |
| 8. | Caladium Investment Pte Ltd | 46,514,376 | 15.43 | [●] | [●] | [●] | [●] |
| 9. | India-Japan Fund (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 22,465,447 | 7.45 | [●] | [●] | [●] | [●] |
| 10. | National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 20,412,027 | 6.77 | [●] | [●] | [●] | [●] |
| 11. | Internet Fund III Pte. Ltd. | 19,760,832 | 6.56 | [●] | [●] | [●] | [●] |
| 12. | NKSquared | 6,877,611 | 2.28 | [●] | [●] | [●] | [●] |
| 13. | Kamath Associates | 6,877,350 | 2.28 | [●] | [●] | [●] | [●] |
| 14. | 3State Ventures Pte. Ltd. | 2,857,950 | 0.95 | [●] | [●] | [●] | [●] |
| 15. | Arun Vinayak | 2,197,620 | 0.73 | [●] | [●] | [●] | [●] |

| S. No. | Pre-Offer Shareholding as on date of this Red Herring Prospectus | | | Post-Offer Shareholding as at Allotment ^{*3} | | | |
|--------|--|--|---|---|------------------------------|--|------------------------------|
| | Name of the Shareholder | Number of Equity Shares of face value of ₹ 1 each ² | Pre-Offer Shareholding, on a fully diluted basis (%) ² | At the lower end of the Price Band (₹[●]*) | | At the upper end of the Price Band (₹[●]*) | |
| | | | | Number of Equity Shares of face value of ₹ 1 each* | Post-offer Shareholding (%)* | Number of Equity Shares of face value of ₹ 1 each* | Post-offer Shareholding (%)* |
| | Srinivasan | | | | | | |
| 16. | IITM Incubation Cell | 1,372,860 | 0.46 | [●] | [●] | [●] | [●] |
| 17. | Venkatachary Srinivasan | 921,330 | 0.31 | [●] | [●] | [●] | [●] |

^{*To be filled in at the Prospectus stage.}

Notes: 1. Except for Mehta Family Trust, Tarun Swarna Family Trust, Swapnil Jain Family Trust, Jain Family Trust, the other members of Promoter Group do not hold Equity Shares of face value ₹1 each.

2. Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those resulting upon exercise of vested options under the ESOP Scheme. At the Prospectus stage, this will include any transfers of Equity Shares by existing Shareholders after the date of pre-Offer and Price Band Advertisement.

3. Based on the Offer Price of ₹[●] and subject to finalisation of the Basis of Allotment.

Summary of selected financial information derived from the Restated Financial Information

The details of certain financial information as at and for the nine months ended December 31, 2024 and December 31, 2023 and as at and for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022 as derived from the Restated Financial Information are set forth below:

| (in ₹ million, except per share data and equity share capital) | | | | | | |
|--|---|---|---|---|---|--|
| Particulars | As at and for nine months ended December 31, 2024 | As at and for nine months ended December 31, 2023 | As at and for the Financial Year ended March 31, 2024 | As at and for the Financial Year ended March 31, 2023 | As at and for the Financial Year ended March 31, 2022 | |
| Equity Share capital* (₹) | 3,08,07,396 | 241,640 | 241,640 | 241,640 | 241,440 | |
| Instruments entirely equity in nature | 8 | 8 | 8 | 6 | 7 | |
| Net Worth | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 | |
| Revenue from operations | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 | |
| Loss for the period/year | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) | |
| Earnings per share* | | | | | | |
| - Basic earnings per share (₹) | (23) [^] | (36) ^{*^} | (47) [*] | (48) [*] | (27) [*] | |
| - Diluted earnings per share (₹) | (23) [^] | (36) ^{*^} | (47) [*] | (48) [*] | (27) [*] | |
| Net Asset Value (NAV) per Equity Share(₹) | 4 [^] | 39 ^{*^} | 24 ^{*^} | 34 ^{*^} | 18 ^{*^} | |
| Current borrowings | 9,614 [#] | 2,210 | 2,840 | 3,647 | 1,897 | |
| Non-current borrowings | 1,602 | 780 | 309 | 1,205 | 1,087 | |
| Total borrowings | 11,216 [#] | 2,990 | 3,149 | 4,852 | 2,984 | |

^{*} The Board of Directors in its meeting held on June 18, 2024 and Shareholders of the Company in the EGM held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 130,610 equity shares of ₹ 1 each. The conversion ratio of the CCPS into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly.

The number of shares used for the calculation of earnings per share, and net asset value per share have been adjusted for pursuant to Paragraph 64 of Ind AS 33 – “Earnings Per Share”, prescribed under Section 133 of the Companies Act, 2013.

Including proceeds from Series G CCPS of ₹ 6,000 million to be converted into Equity Shares as at December 31, 2024. Subsequently, said CCPS has been converted into equity shares pursuant to the board resolution dated March 8, 2025.

^ Not annualised

Notes:

A. The ratios have been computed as follows:

i. Basic EPS is calculated as loss for the period/year attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the period/year.

ii. Diluted EPS is calculated as loss for the period/year attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the period/year adjusted for the effects of all dilutive potential Equity Shares.

iii. Net Asset Value per Equity Share (in ₹) is computed as Net Worth at the end of the period/year divided by weighted average number of Equity Shares outstanding during the period/year.

B. Accounting and other ratios are derived from the Restated Financial Information.

C. Net-worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

D. Total borrowings mean total of non-current borrowings and current borrowings.

E. Weighted average number of equity shares (including equivalent number of equity shares on conversion of instruments entirely equity in nature) is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during the period/year 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 total number of days during the period/year

F. Earnings per share calculations are in accordance with Ind AS 33 “Earnings per share”. G. For reconciliation of Non-GAAP measures, please see “Other Financial Information – Reconciliation of Non-GAAP Measures” on page 433.

For further details, see “**Financial Information - Restated Financial Information**” and “**Other Financial Information**” on pages 359 and 432, respectively.

Qualifications of the Auditors which have not been given effect to in the Restated Financial Information

The Statutory Auditors have not made any qualifications in their examination report, which have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors, our Key Managerial Personnel and Senior Management and our Group Company, as disclosed in this Red Herring Prospectus, is provided below:

| Category of individuals/entities | Criminal proceedings | Tax proceedings | Statutory or regulatory actions | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action | Material civil litigations as per the Materiality Policy | Aggregate amount involved* (in ₹ million) |
|----------------------------------|----------------------|-----------------|---------------------------------|--|--|---|
| Company | | | | | | |
| By our Company | Nil | Nil | NA | NA | Nil | Nil |
| Against our Company | 1 | 35 | Nil | Nil | Nil | 1,161.98** |
| Directors | | | | | | |
| By our Directors | Nil | Nil | Nil | NA | Nil | Nil |
| Against our Directors | 1 | 14 | Nil | Nil | Nil | Nil |
| Promoters | | | | | | |
| By the Promoters# | 1 | Nil | Nil | NA | Nil | Nil |
| Against our Promoters# | 9^^ | 74 | 2 | Nil | Nil | 101,438.60^ |
| Group Company | | | | | | |
| By our Group Company | Nil | Nil | Nil | Nil | Nil | N.A. |
| Against our Group Company | Nil | Nil | Nil | Nil | Nil | N.A. |

| Category of individuals/entities | Criminal proceedings | Tax proceedings | Statutory or regulatory actions | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action | Material civil litigations as per the Materiality Policy | Aggregate amount involved* (in ₹ million) |
|---|----------------------|-----------------|---------------------------------|--|--|---|
| Key Managerial Personnel and Senior Management | | | | | | |
| By our KMP and SMP | Nil | N.A. | Nil | N.A. | N.A. | N.A. |
| Against our KMP and SMP | Nil | N.A. | Nil | N.A. | N.A. | N.A. |

* To the extent quantifiable.

** This amount excludes interest and penalty.

All litigations reflected hereunder are related to our Corporate Promoter.

^ This amount includes interest and penalty wherever applicable.

^^ Additionally, there are certain matters pertaining to violations of Motor Vehicles Act, 1988, as amended, which have been reported, in which HMCL has been impleaded as a party before various courts and forums.

As on the date of this Red Herring Prospectus, our Company does not have any Subsidiaries.

For further details of the outstanding litigation proceedings, see “**Outstanding Litigation and Material Developments**” beginning on page 476.

Risk Factors

Please see “**Risk Factors**” beginning on page 43. Investors are advised to read the risk factors carefully before making an investment decision in the Offer.

Summary of Contingent Liabilities

The following is a summary table of our contingent liabilities as per Ind AS 37 as at December 31, 2024 as indicated in our Restated Financial Information:

| Particulars | (in ₹ million) As at December 31, 2024 |
|---|---|
| Claims against the Company not acknowledged as debt (Custom Duties, GST, Income Tax and other litigation) * | 608 |

Note:

* Our Company received a pre-show cause intimation notice dated March 21, 2024 and subsequently a show cause notice dated April 16, 2024 (“SCN”) from the Office of the Assistant Commissioner, Chennai under section 73 of the Central Goods and Services Tax Act, 2017 read with rules and regulations, made thereunder. The GST department had taken up the scrutiny in accordance with the above section and observed discrepancies in the input tax credit availed for the Fiscal Year 2022-2023 and raised a demand of ₹598.00 million. Against this demand, our Company filed a reply dated May 14, 2024 explaining the circumstances that input tax credit has been availed in accordance with law and which was also reconciled with annual return and hence there was no discrepancy noticed. However, thereafter, an order was issued against our Company dated November 4, 2024 confirming the above stated demand. Our Company has filed an application before the Assistant Commissioner, Nungambakkam, Tamil Nadu for rectification of the said order issued, on the grounds that the order has been passed without consideration of the submissions made. Our Company doesn't foresee the demand materialising as the allegations made are merely on the manner of disclosures made by the Company in the annual return filed for the said fiscal period. The matter is currently pending further adjudication.

For further details, please see “**Financial Information - Restated Financial Information – Note 35 – Contingent Liabilities and Commitments**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and “**Outstanding Litigation and Material Developments**” beginning on pages 410, 436 and 476, respectively.

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Summary of related party transactions

The summary of related party transactions entered into by us for the nine months ended December 31, 2024 and December 31, 2023 and for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022 as derived from the Restated Financial Information are as set out in the table below:

| Related parties with whom transactions have taken place and Nature of transactions | For the nine months ended December 31, 2024 | | For the nine months ended December 31, 2023 | | For the financial year ended March 31, 2024 | | For the financial year ended March 31, 2023 | | For the financial year ended March 31, 2022 | |
|--|--|------------------------------|--|------------------------------|--|------------------------------|--|------------------------------|--|------------------------------|
| | ₹ in million | % of revenue from operation^ | ₹ in million | % of revenue from operation^ | ₹ in million | % of revenue from operation^ | ₹ in million | % of revenue from operation^ | ₹ in million | % of revenue from operation^ |
| | | | | | | | | | | |
| Tarun Sanjay Mehta | | | | | | | | | | |
| Issue of compulsorily convertible preference shares | 433 | 3% | - | - | - | - | - | - | - | - |
| Issue of equity shares on account of exercise of stock options | 107 | 1% | - | - | - | - | - | - | - | - |
| Settlement on account of exercise of stock options | 54 | 0% | - | - | - | - | - | - | - | - |
| Issue of bonus equity shares | 10 | 0% | - | - | - | - | - | - | - | - |
| Mehta Family Trust | | | | | | | | | | |
| Issue of bonus equity shares | 1 | 0% | - | - | - | - | - | - | - | - |
| Tarun Swarna Family Trust | | | | | | | | | | |
| Issue of bonus equity shares | 1 | 0% | - | - | - | - | - | - | - | - |
| Swapnil Babanlal Jain | | | | | | | | | | |
| Issue of compulsorily convertible preference shares | 433 | 3% | - | - | - | - | - | - | - | - |
| Issue of equity shares on account of exercise of stock options | 107 | 1% | - | - | - | - | - | - | - | - |
| Settlement on account of exercise of stock options | 54 | 0% | - | - | - | - | - | - | - | - |
| Issue of bonus equity shares | 10 | 0% | - | - | - | - | - | - | - | - |
| Swapnil Jain Family Trust | | | | | | | | | | |
| Issue of bonus equity shares | 1 | 0% | - | - | - | - | - | - | - | - |
| Jain Family Trust | | | | | | | | | | |
| Issue of bonus equity shares | 1 | 0% | - | - | - | - | - | - | - | - |
| Hero MotoCorp Limited | | | | | | | | | | |
| Issue of compulsorily convertible preference shares | - | - | 5,000 | 41% | 5,000 | 29% | 2,625 | 15% | - | - |
| Issue of Equity shares on exercise of right to subscribe | - | - | - | - | - | - | - | - | 49 | 1% |
| Issue of bonus compulsorily convertible preference shares | - | - | 283 | 2% | 283 | 2% | - | - | - | - |

| Related parties with whom transactions have taken place and Nature of transactions | For the nine months ended December 31, 2024 | | For the nine months ended December 31, 2023 | | For the financial year ended March 31, 2024 | | For the financial year ended March 31, 2023 | | For the financial year ended March 31, 2022 | |
|--|--|-------------------------|--|-------------------------|--|-------------------------|--|-------------------------|--|-------------------------|
| | % of | | % of | | % of | | % of | | % of | |
| | ₹ in million | revenue from operation^ | ₹ in million | revenue from operation^ | ₹ in million | revenue from operation^ | ₹ in million | revenue from operation^ | ₹ in million | revenue from operation^ |
| Issue of bonus equity shares | 0*** | 0% | - | - | - | - | - | - | - | - |
| Issue of Compulsorily convertible preference shares on conversion of Compulsorily Convertible debentures | - | - | - | - | - | - | 1,500 | 8% | - | - |
| Issue of Compulsorily convertible debentures | - | - | - | - | - | - | - | - | 1,500 | 37% |
| Revenue from charging Infrastructure usage | 8 | 0% | - | - | 0*** | 0% | - | - | - | - |
| Expense on charging infrastructure usage | 5 | 0% | 0*** | 0% | 1 | 0% | - | - | - | - |
| Fair valuation impact/cancellation of right to subscribe liability | - | - | (84) | (1%) | (84) | (0%) | 367 | 2% | 19 | 0% |
| Hero FinCorp Limited | | | | | | | | | | |
| Term loan taken | - | - | - | - | - | - | 1,500 | 8% | 1,300 | 32% |
| Repayment of term loan | 806 | 5% | 763 | 6% | 1,064 | 6% | 1,319 | 7% | 445 | 11% |
| Interest on Term loan* | 74 | 0% | 172 | 1% | 216 | 1% | 175 | 1% | 253 | 6% |
| Finance charges on relinquishment of right to subscribe liability | 5 | 0% | - | - | - | - | - | - | - | - |
| Deposit given to / (refunded by) lender | (24) | (0%) | (295) | (2%) | (295) | (2%) | 295 | 2% | - | - |
| Interest subvention | 2 | 0% | 3 | 0% | 3 | 0% | - | - | - | - |
| Commission income | - | - | 0*** | 0% | 1 | 0% | - | - | - | - |
| Fair valuation impact/cancellation of right to subscribe liability | (25) | (0%) | (12) | (0%) | (12) | (0%) | 22 | 0% | 10 | 0% |
| Sachin Bansal | | | | | | | | | | |
| Issue of Equity shares on exercise of right to subscribe | - | - | - | - | - | - | - | - | 197 | 5% |
| Managerial remuneration paid to key managerial personnel | | | | | | | | | | |
| Employee benefits** | 55 | 0% | 57 | 0% | 214 | 1% | 76 | 0% | 36 | 1% |
| Share based payments**** | 30 | 0% | 23 | 0% | 667 | 4% | 399 | 2% | 9 | 0% |
| Neelam Dhawan | | | | | | | | | | |
| Sitting fee paid to Independent Directors | 1 | 0% | - | - | - | - | - | - | - | - |
| Kaushik Dutta | | | | | | | | | | |
| Sitting fee paid to Independent Directors | 1 | 0% | - | - | - | - | - | - | - | - |
| Sanjay Nayak | | | | | | | | | | |
| Sitting fee paid to Independent Directors | 0*** | 0% | - | - | - | - | - | - | - | - |

**Excludes ₹ 5 million during nine months ended 31 December 2024 (nine months ended 31 December 2023: ₹ 13 million, year ended 31 March 2024: ₹ 16 million, year ended 31 March 2023: ₹ 17 million, year ended 31 March 2022: ₹ 10 million) charged to restated statement of profit & loss on account of effective interest rate calculation as per Ind AS.*

***The actuarial valuation report of gratuity and compensated absence liabilities are taken for the entire Company without any bifurcation to any specific employee, hence it is not included in related party transaction.*

**** Denotes an amount less than ₹ 0.5 million.*

^0% denotes the percentages less than 0.5%

Note: All related party transactions were entered at arm's length basis and in the ordinary course of business.

***** During the financial year 2022-23, the Company has granted 46,149 options under the Management Stock Option Plan 2022 ("MSOP 2022") approved by our shareholders in meeting dated September 26, 2022 and expense has been accounted by ₹ 52 million as at March 31, 2023. During the year ended March 31, 2024, the board, in its meeting dated March 31, 2024, has approved the cancellation of MSOP 2022 including all options granted and also approved the payment of lump sum cash consideration, based on the fair value of the said options cancelled, in lieu of cancellation of all options under MSOP 2022. On cancellation of MSOP 2022, ₹ 596 million has been accounted immediately in the statement of profit and loss as an acceleration of vesting. On the date of such cancellation, the fair value of the options of ₹ 745 million settled in cash and is accounted as a deduction from other equity.*

For details of the related party transactions in accordance with Ind AS 24, see “**Financial Information - Restated Financial Information – Note 36 – Related party disclosures**” on page 411.

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Financing Arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business) during a period of six months immediately preceding the date of this Red Herring Prospectus.

Details of price at which specified securities of our Company were acquired by our Promoters, members of the Promoter Group, Selling Shareholders and Shareholders with right to nominate directors or other special rights in the last three years preceding the date of this Red Herring Prospectus

Except as disclosed below, none of the Promoters, members of the Promoter Group, Selling Shareholders or Shareholders with right to nominate directors or other special rights acquired specified securities in the last three years preceding the date of this Red Herring Prospectus. The details of price at which specified securities acquired are as follows:

| Name of acquirer/ shareholder | Nature of the transaction | Nature of specified securities | Face value (in ₹) | Date of acquisition | Number of specified securities | Acquisition price per specified security (in ₹)* | Acquisition price per specified security as adjusted for bonus and split (as if converted basis (in ₹)) |
|------------------------------------|--|--------------------------------|-------------------|---------------------|--------------------------------|--|---|
| Promoters | | | | | | | |
| Tarun Sanjay Mehta [@] | Bonus issue | Equity Shares | 1 | June 22, 2024 | 10,348,000 | N.A. | N.A. |
| | Exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014 | Equity Shares | 1 | July 4, 2024 | 453,618 | Negligible** | Negligible** |
| | Private placement | Series F CCPS | 1 | July 9, 2024 | 37,074 | 11,674 | 44.73 |
| | Allotment of Equity shares pursuant to conversion of Series F CCPS | Equity Shares | 1 | February 25, 2025 | 9,676,314 | N.A. [#] | N.A. [#] |
| | | | | | | | |
| Swapnil Babanlal Jain [@] | Bonus issue | Equity Shares | 1 | June 22, 2024 | 10,348,000 | N.A. | N.A. |
| | Exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014 | Equity Shares | 1 | July 4, 2024 | 453,618 | Negligible** | Negligible** |
| | Private placement | Series F CCPS | 1 | July 9, 2024 | 37,074 | 11,674 | 44.73 |
| | Allotment of Equity shares pursuant to conversion of Series F | Equity Shares | 1 | February 25, 2025 | 9,676,314 | N.A. [#] | N.A. [#] |
| | | | | | | | |

| Name of acquirer/ shareholder | Nature of the transaction | Nature of specified securities | Face value (in ₹) | Date of acquisition | Number of specified securities | Acquisition price per specified security (in ₹)* | Acquisition price per specified security as adjusted for bonus and split (as if converted basis (in ₹)) |
|----------------------------------|--|--------------------------------------|-------------------------|------------------------|--------------------------------------|--|---|
| Hero MotoCorp Limited | CCPS | | | | | | |
| | Private placement | Series E CCPS | 10 | May 18, 2022 | 53,652 | 48,926 | 187.46 |
| | Allotment on conversion of compulsorily convertible debentures of face value ₹100 each | Series E CCPS | 10 | May 18, 2022 | 30,658 | 48,926 | 187.46 |
| | Rights issue | Series E2 CCPS | 10 | September 12, 2023 | 113,404 | 44,090 | 168.93 |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 1,720 | N.A. | N.A. |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 4,700 | N.A. | N.A. |
| | Transfer from Sachin Bansal | Series C CCPS | 10 | March 20, 2024 | 7,759 | 44,090 | 168.91 |
| | Transfer from Sachin Bansal | Series D CCPS | 10 | March 20, 2024 | 20,189 | 44,090 | 168.93 |
| | Transfer from Sachin Bansal | Series Seed Four CCPS | 37 | March 20, 2024 | 3,672 | 44,090 | 168.93 |
| | Bonus issue | Equity Shares | 1 | June 22, 2024 | 285,480 | N.A. | N.A. |
| | Transfer from Sachin Bansal | Series C CCPS | 10 | August 2, 2024 | 8,450 | 55,000 | 210.70 |
| | Transfer from Sachin Bansal | Series D CCPS | 10 | August 2, 2024 | 5,543 | 55,000 | 210.73 |
| | Transfer from Sachin Bansal | CCPS | 10 | August 2, 2024 | 4,495 | 55,000 | 210.73 |
| | Transfer from Sachin Bansal | Equity Shares | 1 | August 5, 2024 | 1,051,047 | 210.73 | 210.73 |
| | Allotment of Equity Shares pursuant to conversion of Series Seed Four CCPS, Series B CCPS, Series B1 CCPS, Series C CCPS, Series C1 CCPS, Series D | Equity Shares | 1 | March 8, 2025 | 113,745,627 | N.A.# | N.A.# |

| Name of acquirer/ shareholder | Nature of the transaction | Nature of specified securities | Face value (in ₹) | Date of acquisition | Number of specified securities | Acquisition price per specified security (in ₹)* | Acquisition price per specified security as adjusted for bonus and split (as if converted basis (in ₹)) |
|---|---------------------------------|--------------------------------|-------------------|---------------------|--------------------------------|--|---|
| CCPS, Series E CCPS, Series E2 CCPS and CCPS | | | | | | | |
| Promoter Group | | | | | | | |
| Mehta Family Trust (Trustee is Tarun Sanjay Mehta; | Gift from Tarun Sanjay Mehta | Equity Shares | 1 | March 26, 2024 | 3,000 | N.A. | N.A. |
| Beneficiaries include Sanjay Surajraj Mehta, Sangeeta Mehta, Divya Mehta, Swarna Srimal Mehta and Tarun Swarna Family Trust) | Bonus issue | Equity Shares | 1 | June 22, 2024 | 780,000 | N.A. | N.A. |
| Tarun Swarna Family Trust (Trustee is Tarun Sanjay Mehta; | Gift from Tarun Sanjay Mehta | Equity Shares | 1 | March 26, 2024 | 2,000 | N.A. | N.A. |
| Beneficiaries include Swarna Srimal Mehta, Aarohi Mehta, other children of Tarun Sanjay Mehta and lineal descendants of any other children of Tarun Sanjay Mehta and of Aarohi Mehta) | Bonus issue | Equity Shares | 1 | June 22, 2024 | 520,000 | N.A. | N.A. |
| Babanlal Girdharilal Jain | Gift from Swapnil Babanlal Jain | Equity Shares | 1 | June 4, 2024 | 2,500 | N.A. | N.A. |
| | Bonus issue | Equity Shares | 1 | June 22, 2024 | 650,000 | N.A. | N.A. |
| Jain Family Trust (Trustee is | Gift from Swapnil Babanlal | Equity Shares | 1 | June 6, 2024 | 2,500 | N.A. | N.A. |

| Name of acquirer/ shareholder | Nature of the transaction | Nature of specified securities | Face value (in ₹) | Date of acquisition | Number of specified securities | Acquisition price per specified security (in ₹)* | Acquisition price per specified security as adjusted for bonus and split (as if converted basis (in ₹)) |
|--|---|--------------------------------|-------------------|---------------------|--------------------------------|--|---|
| Swapnil Babanlal Jain; Beneficiaries include Rajulmati Babanlal Jain, Chitra C R and lineal descendants of Swapnil Babanlal Jain) | Jain Bonus issue | Equity Shares | 1 | June 22, 2024 | 650,000 | N.A. | N.A. |
| Swapnil Jain Family Trust (Trustee is Swapnil Babanlal Jain; Beneficiaries include Rajulmati Babanlal Jain, Swapnil Babanlal Jain, Chitra C R and lineal descendants of Swapnil Babanlal Jain) | Gift from Babanlal Girdharilal Jain | Equity Shares | 1 | August 7, 2024 | 652,500 | N.A. | N.A. |
| Selling Shareholders | | | | | | | |
| Amit Bhatia | Private placement | Series E CCPS | 10 | May 18, 2022 | 70 | 48,926 | 187.46 |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 1 | N.A. | N.A. |
| | Allotment of Equity shares pursuant to conversion of Series E CCPS and CCPS | Equity Shares | 1 | March 8, 2025 | 18,531 | N.A.# | N.A.# |
| Caladium Investment Pte Ltd | Private placement | Equity Shares | 1 | May 18, 2022 | 100 | 48,926 | 187.46 |
| | Private placement | Series E CCPS | 10 | May 18, 2022 | 30,558 | 48,926 | 187.46 |
| | Private placement | Series E1 CCPS | 10 | November 9, 2022 | 51,276 | 78,008 | 298.88 |
| | Rights issue | Series E2 CCPS | 10 | September 12, 2023 | 90,723 | 44,090 | 168.93 |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 4,936 | N.A. | N.A. |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 623 | N.A. | N.A. |

| Name of acquirer/ shareholder | Nature of the transaction | Nature of specified securities | Face value (in ₹) | Date of acquisition | Number of specified securities | Acquisition price per specified security (in ₹)* | Acquisition price per specified security as adjusted for bonus and split (as if converted basis (in ₹)) |
|--|---|--------------------------------|-------------------|---------------------|--------------------------------|--|---|
| | Bonus issue | Equity Shares | 1 | June 22, 2024 | 26,000 | N.A. | N.A. |
| | Allotment of Equity shares pursuant to conversion of Series E CCPS, Series E1 CCPS, Series E2 CCPS and CCPS | Equity Shares | 1 | March 8, 2025 | 46,488,276 | N.A. # | N.A. # |
| National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | Private placement | Series E CCPS | 10 | May 18, 2022 | 76,546 | 48,926 | 187.46 |
| | Private placement | Equity Shares | 1 | May 18, 2022 | 100 | 48,926 | 187.46 |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 1,561 | N.A. | N.A. |
| | Bonus issue | Equity Shares | 1 | June 22, 2024 | 26,000 | N.A. | N.A. |
| | Allotment of Equity shares pursuant to conversion of Series E CCPS and CCPS | Equity Shares | 1 | March 8, 2025 | 20,385,927 | N.A. # | N.A. # |
| Internet Fund III Pte Ltd | Bonus issue | Equity Shares | 1 | June 22, 2024 | 26,000 | N.A. | N.A. |
| | Allotment of Equity shares pursuant to conversion of Series Seed - Two CCPS, Series Seed - Three CCPS and Series A CCPS | Equity Shares | 1 | March 8, 2025 | 19,734,732 | N.A. # | N.A. # |
| IITM Incubation Cell | Bonus issue | Equity Shares | 1 | June 22, 2024 | 1,367,600 | N.A. | N.A. |
| IITMS Rural Technology and Business Incubator | Allotment of Equity shares pursuant to conversion of Series Seed - One CCPS | Equity Shares | 1 | March 8, 2025 | 185,310 | N.A. # | N.A. # |
| Shareholders with right to nominate directors or other rights | | | | | | | |
| Tarun Sanjay Mehta [@] | Bonus issue | Equity Shares | 1 | June 22, 2024 | 10,348,000 | N.A. | N.A. |

| Name of acquirer/ shareholder | Nature of the transaction | Nature of specified securities | Face value (in ₹) | Date of acquisition | Number of specified securities | Acquisition price per specified security (in ₹)* | Acquisition price per specified security as adjusted for bonus and split (as if converted basis (in ₹)) |
|----------------------------------|---|--------------------------------------|-------------------------|------------------------|--------------------------------------|--|---|
| | Exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014 | Equity Shares | 1 | July 4, 2024 | 453,618 | Negligible** | Negligible** |
| | Private placement | Series F CCPS | 1 | July 9, 2024 | 37,074 | 11,674 | 44.73 |
| | Allotment of Equity shares pursuant to conversion of Series F CCPS | Equity Shares | 1 | February 25, 2025 | 9,676,314 | N.A.# | N.A.# |
| Swapnil Babanlal Jain® | Bonus issue | Equity Shares | 1 | June 22, 2024 | 10,348,000 | N.A. | N.A. |
| | Exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014 | Equity Shares | 1 | July 4, 2024 | 453,618 | Negligible** | Negligible** |
| | Private placement | Series F CCPS | 1 | July 9, 2024 | 37,074 | 11,674 | 44.73 |
| | Allotment of Equity shares pursuant to conversion of Series F CCPS | Equity Shares | 1 | February 25, 2025 | 9,676,314 | N.A.# | N.A.# |
| Hero MotoCorp Limited | Private placement | Series E CCPS | 10 | May 18, 2022 | 53,652 | 48,926 | 187.46 |
| | Allotment on conversion of compulsorily convertible debentures of face value ₹100 each | Series E CCPS | 10 | May 18, 2022 | 30,658 | 48,926 | 187.46 |
| | Rights issue | Series E2 CCPS | 10 | September 12, 2023 | 113,404 | 44,090 | 168.93 |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 1,720 | N.A. | N.A. |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 4,700 | N.A. | N.A. |
| | Transfer from Sachin | Series C CCPS | 10 | March 20, 2024 | 7,759 | 44,090 | 168.91 |

| Name of acquirer/ shareholder | Nature of the transaction | Nature of specified securities | Face value (in ₹) | Date of acquisition | Number of specified securities | Acquisition price per specified security (in ₹)* | Acquisition price per specified security as adjusted for bonus and split (as if converted basis (in ₹)) |
|-------------------------------|---|--------------------------------|-------------------|---------------------|--------------------------------|--|---|
| | Bansal | | | | | | |
| | Transfer from Sachin Bansal | Series D CCPS | 10 | March 20, 2024 | 20,189 | 44,090 | 168.93 |
| | Transfer from Sachin Bansal | Series Seed Four CCPS | 37 | March 20, 2024 | 3,672 | 44,090 | 168.93 |
| | Bonus issue | Equity Shares | 1 | June 22, 2024 | 285,480 | N.A. | N.A. |
| | Transfer from Sachin Bansal | Series C CCPS | 10 | August 2, 2024 | 8,450 | 55,000 | 210.70 |
| | Transfer from Sachin Bansal | Series D CCPS | 10 | August 2, 2024 | 5,543 | 55,000 | 210.73 |
| | Transfer from Sachin Bansal | CCPS | 10 | August 2, 2024 | 4,495 | 55,000 | 210.73 |
| | Transfer from Sachin Bansal | Equity Shares | 1 | August 5, 2024 | 1,051,047 | 210.73 | 210.73 |
| | Allotment of Equity Shares pursuant to conversion of Series Seed Four CCPS, Series B CCPS, Series B1 CCPS, Series C CCPS, Series C1 CCPS, Series D CCPS, Series E CCPS, Series E2 CCPS and CCPS | Equity Shares | 1 | March 8, 2025 | 113,745,627 | N.A.# | N.A.# |
| Caladium Investment Pte Ltd | Private placement | Series E CCPS | 10 | May 18, 2022 | 30,558 | 48,926 | 187.46 |
| | Private placement | Equity Shares | 1 | May 18, 2022 | 100 | 48,926 | 187.46 |
| | Private placement | Series E1 CCPS | 10 | November 9, 2022 | 51,276 | 78,008 | 298.88 |
| | Rights issue | Series E2 CCPS | 10 | September 12, 2023 | 90,723 | 44,090 | 168.93 |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 4,936 | N.A. | N.A. |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 623 | N.A. | N.A. |
| | Bonus issue | Equity Shares | 1 | June 22, 2024 | 26,000 | N.A. | N.A. |

| Name of acquirer/ shareholder | Nature of the transaction | Nature of specified securities | Face value (in ₹) | Date of acquisition | Number of specified securities | Acquisition price per specified security (in ₹)* | Acquisition price per specified security as adjusted for bonus and split (as if converted basis (in ₹)) |
|---|--|--------------------------------------|-------------------------|------------------------|--------------------------------------|--|---|
| | Allotment of Equity shares pursuant to conversion of Series E CCPS, Series E1 CCPS, Series E2 CCPS and CCPS | Equity Shares | 1 | March 8, 2025 | 46,488,276 | N.A.# | N.A.# |
| National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | Private placement | Series E CCPS | 10 | May 18, 2022 | 76,546 | 48,926 | 187.46 |
| | Private placement | Equity Shares | 1 | May 18, 2022 | 100 | 48,926 | 187.46 |
| | Bonus issue | CCPS | 10 | December 7, 2023 | 1,561 | N.A. | N.A. |
| | Bonus issue | Equity Shares | 1 | June 22, 2024 | 26,000 | N.A. | N.A. |
| | Allotment of Equity shares pursuant to conversion of Series E CCPS and CCPS | Equity Shares | 1 | March 8, 2025 | 20,385,927 | N.A.# | N.A.# |
| Internet Fund III Pte Ltd | Bonus issue | Equity Shares | 1 | June 22, 2024 | 26,000 | N.A. | N.A. |
| | Allotment of Equity shares pursuant to conversion of Series Seed - Two CCPS, Series Seed - Three CCPS and Series A CCPS | Equity Shares | 1 | March 8, 2025 | 19,734,732 | N.A.# | N.A.# |

* As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated April 22, 2025.

** This is less than ₹1.

@ Tarun Sanjay Mehta and Swapnil Babanlal Jain are also Promoter Selling Shareholders.

The amount paid on the acquisition of Preference Shares have not been considered in arriving at the acquisition price per Equity Share allotted pursuant to conversion of Preference Shares undertaken on February 25, 2025 and March 8, 2025, since the acquisition of preference shares and the price there of has been disclosed as a separate line item for the Preference Shares acquired during the preceding three years from the date of this Red Herring Prospectus.

Weighted average price at which the equity shares and preference shares were acquired by our Promoters and the Selling Shareholders in the last one year preceding the date of this Red Herring Prospectus

The weighted average price at which equity shares were acquired by our Promoters and the Selling Shareholders in the last one year preceding the date of this Red Herring Prospectus is as follows:

| Name | Number of equity shares acquired in last one year | Weighted average price of equity shares acquired in the last one year (in ₹)** |
|------------------|--|--|
| Promoters | | |

| Name | Number of equity shares acquired in last one year | Weighted average price of equity shares acquired in the last one year (in ₹) ^{*/#} |
|---|---|---|
| Tarun Sanjay Mehta [@] | 20,477,932 | 21.14 |
| Swapnil Babanlal Jain [@] | 20,477,932 | 21.14 |
| Hero MotoCorp Limited | 115,082,154 | 145.99 |
| Selling Shareholders | | |
| Caladium Investment Pte Ltd | 46,514,276 | 204.13 |
| National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 20,411,927 | 183.48 |
| Internet Fund III Pte. Ltd | 19,760,732 | 38.53 |
| IITM Incubation Cell | 1,367,600 | Nil ¹ |
| IITMS Rural Technology and Business Incubator | 185,310 | 8.31 |
| Amit Bhatia | 18,531 | 184.82 |

* As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated April 22, 2025.

[@] Tarun Sanjay Mehta and Swapnil Babanlal Jain are also Promoter Selling Shareholders.

¹ This includes Equity Shares acquired pursuant to the bonus issue.

[#] The amount paid on the acquisition of Preference Shares has been considered in arriving at the weighted average acquisition price per Equity Share allotted pursuant to conversion of Preference Shares undertaken on February 25, 2025 and March 8, 2025.

The weighted average price at which preference shares were acquired by our Promoters and the Selling Shareholders in the last one year preceding the date of this Red Herring Prospectus is as follows:

| Name | Number of preference shares acquired in last one year | Face value (in ₹) | Weighted average price of preference shares acquired in the last one year (in ₹) |
|---|---|-------------------|--|
| Promoters | | | |
| Tarun Sanjay Mehta [@] | 37,074 | 1 | 11,674.00 |
| Swapnil Babanlal Jain [@] | 37,074 | 1 | 11,674.00 |
| Hero MotoCorp Limited | 18,488 | 10 | 55,000.00 |
| Selling Shareholders | | | |
| Caladium Investment Pte Ltd | Nil | N.A. | N.A. ¹ |
| National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | Nil | N.A. | N.A. ¹ |
| Internet Fund III Pte. Ltd. | Nil | N.A. | N.A. ¹ |
| IITM Incubation Cell | Nil | N.A. | N.A. ¹ |
| IITMS Rural Technology and Business Incubator | Nil | N.A. | N.A. ¹ |
| Amit Bhatia | Nil | N.A. | N.A. ¹ |

* As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated April 22, 2025.

[@] Tarun Sanjay Mehta and Swapnil Babanlal Jain are also Promoter Selling Shareholders.

¹ No Preference Shares were acquired.

Average Cost of Acquisition of Equity Shares for our Promoters and the Selling Shareholders

The average cost of acquisition per Equity Share for our Promoters and the Selling Shareholders as on the date of this Red Herring Prospectus is as follows:

| S. No. | Name | Number of Equity Shares of face value of ₹1 each, held | Average cost of acquisition per Equity Share (in ₹) ^{*/#} |
|------------------|---------------------------------|--|--|
| Promoters | | | |
| 1. | Tarun Sanjay Mehta [@] | 20,517,732 | 21.09 |

| S. No. | Name | Number of Equity Shares of face value of ₹1 each, held | Average cost of acquisition per Equity Share (in ₹) ^{**#} |
|-----------------------------|--|--|--|
| 2. | Swapnil Babanlal Jain [@] | 20,517,732 | 21.09 |
| 3. | Hero MotoCorp Limited | 115,083,252 | 146.01 |
| Selling Shareholders | | | |
| 4. | Caladium Investment Pte Ltd | 46,514,376 | 204.24 |
| 5. | National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 20,412,027 | 183.71 |
| 6. | Internet Fund III Pte. Ltd. | 19,760,832 | 38.58 |
| 7. | IITM Incubation Cell | 1,372,860 | Nil ^{**} |
| 8. | IITMS Rural Technology and Business Incubator | 185,310 | 8.31 |
| 9. | Amit Bhatia | 18,531 | 184.82 |

^{*} As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated April 22, 2025.

^{**} This includes equity shares acquired pursuant to the incubation agreement dated December 23, 2013 superseded by the graduation agreement dated October 14, 2014 and bonus issue.

[@] Tarun Sanjay Mehta and Swapnil Babanlal Jain are also Promoter Selling Shareholders.

[^] This includes shares acquired pursuant to bonus issuance of Equity Shares and Preference Shares.

[#] The amount paid on the acquisition of the Preference Shares has been considered in arriving at the average cost of acquisition per Equity Share allotted pursuant to conversion of the Preference Shares undertaken on February 25, 2025 and March 8, 2025.

Weighted average cost of acquisition of all equity shares transacted in last one year, 18 months and three years preceding the date of this Red Herring Prospectus*

| Period | Weighted average cost of acquisition (in ₹) [#] | Cap Price is 'x' times the weighted average cost of acquisition ¹ | Range of acquisition price: lowest price – highest price (in ₹) ^{#\$**} |
|--|--|--|--|
| Last one year preceding the date of this Red Herring Prospectus | 102.69 | [•] | Nil ² to ₹ 267.08 |
| Last 18 months preceding the date of this Red Herring Prospectus | 111.92 | [•] | Nil ² to ₹ 267.08 |
| Last three years preceding the date of this Red Herring Prospectus | 154.40 | [•] | Nil ² to ₹ 267.08 |

^{*} As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated April 22, 2025.

¹ To be updated upon finalization of the Price Band.

² Includes equity shares acquired by way of gifts, bonus issuances and split undertaken by the Company.

^{**} For the Preference Shares allotted during the last one year, 18 months and three years, the range of acquisition price per equity share includes the impact of conversion of preference shares into the number of Equity Shares allotted pursuant to the Board resolutions dated February 25, 2025 and March 8, 2025.

[#] The amount paid on the acquisition of Preference Shares has been considered as the basis for arriving at the weighted average cost of acquisition of Equity Shares.

^{\$} Calculated excluding allotment of Equity Shares on conversion of Preference Shares pursuant to the Board resolutions dated February 25, 2025 and March 8, 2025.

Details of pre-IPO placement

Our Company is not contemplating a pre-IPO placement.

Issue of Equity Shares for consideration other than cash or bonus issue in the last one year

Except as disclosed below, our Company has not issued Equity Shares for consideration other than cash or bonus in the one year preceding the date of this Red Herring Prospectus:

| Date of allotment | Nature of allotment | Details of allottees | Number of equity shares allotted | Face value per Equity Share (₹) | Issue price per Equity Share (₹) | Nature of consideration |
|-------------------|--|---|----------------------------------|---------------------------------|----------------------------------|-------------------------|
| June 22, 2024 | Bonus Issue in the ratio of 224:1 (in respect of | Allotment of 790,720 equity shares to Venkatachary Srinivasan | 790,720 | 1 | N.A. | N.A. |

| Date of allotment | Nature of allotment | Details of allottees | Number of equity shares allotted | Face value per Equity Share (₹) | Issue price per Equity Share (₹) | Nature of consideration |
|-------------------|---|---|----------------------------------|---------------------------------|----------------------------------|-------------------------|
| | outstanding equity shares of face value of ₹ 37 each as on the record date i.e., June 21, 2024) | | | | | |
| | Bonus Issue in the ratio of 260:1 (in respect of outstanding Equity Shares of face value of ₹ 1 each as on the record date i.e., June 21, 2024) | Allotment of 10,348,000 Equity Shares to Tarun Sanjay Mehta, allotment of 780,000 Equity Shares to Mehta Family Trust, allotment of 520,000 Equity Shares to Tarun Swarna Family Trust, allotment of 10,348,000 Equity Shares to Swapnil Babanlal Jain, allotment of 650,000 Equity Shares to Babanlal Girdharilal Jain, allotment of 650,000 Equity Shares to Jain Family Trust, allotment of 2,189,200 Equity Shares to Arun Vinayak Srinivasan, allotment of 1,367,600 Equity Shares to IITM Incubation Cell, allotment of 1,047,020 Equity Shares to Sachin Bansal, allotment of 343,200 Equity Shares to Asha Krishnakumar, allotment of 285,480 Equity Shares to Hero MotoCorp Limited, allotment of 171,600 Equity Shares to Achal Kothari, allotment of 57,200 Equity Shares to R. Mahadevan, allotment of 26,000 Equity Shares to Internet Fund III Pte Ltd., allotment of 13,000 Equity Shares to NKSquared, allotment of 13,000 Equity Shares to Kamath Associates, allotment of 26,000 Equity Shares to National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited), allotment of 6,500 Equity Shares to Abhishek Venkataraman | 28,867,800 | 1 | N.A. | N.A. |

| Date of allotment | Nature of allotment | Details of allottees | Number of equity shares allotted | Face value per Equity Share (₹) | Issue price per Equity Share (₹) | Nature of consideration |
|-------------------|---------------------|--|----------------------------------|---------------------------------|----------------------------------|-------------------------|
| | | and allotment of 26,000 Equity Shares to Caladium Investment Pte Ltd | | | | |

Split / Consolidation of Equity Shares in the last one year

Except for the subdivision of 3,530 equity shares of face value ₹ 37 into 130,610 Equity Shares of face value of ₹ 1 on June 21, 2024, our Company has not undertaken any other split/ consolidation in the one year preceding the date of this Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not sought for any exemptions from complying with any provisions of securities laws, as on the date of this Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below before making an investment in our 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, our Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications 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 our Equity Shares could decline, and you may lose all or part of your investment. For more details on our business and operations, see “**Our Business**” “**Industry Overview**” “**Key Regulations and Policies in India**” “**Restated Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 257, 216, 317, 359 and 436, respectively, as well as other financial information included elsewhere in this Red Herring Prospectus. In making an investment decision, you must rely on your own examination of our Company and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

*This 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 and elsewhere in this Red Herring Prospectus. For details, see “**Forward-Looking Statements**” on page 19.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Assessment of Electric Two-wheeler Industry in India” dated March 2025, prepared and issued by CRISIL, which has been commissioned and paid for by us and prepared, only for the purposes of understanding the industry exclusively in connection with the Offer. The CRISIL Report is available at the following web-link: <https://www.atherenergy.com/investor-relations/offer-documents>. The data included herein includes excerpts from the CRISIL Report and such excerpts may have been re-ordered by us for the purposes of presentation. There are no parts, data or information which may be relevant for the proposed Offer, that has been left out or changed in any manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant year. For further details, please see “– **We have used information from the CRISIL Report which we commissioned for industry related data in this Red Herring Prospectus and any reliance on information therein is subject to inherent risks.**” and “**Industry Overview**” on pages 92 and 216, respectively. Unless otherwise indicated or unless context requires otherwise, the financial information in this section has been derived from the Restated Financial Information. See “**Restated Financial Information**” on page 359. Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. The risk factors have been ordered on the basis of their materiality.*

INTERNAL RISKS

- 1. Other than the batteries that we manufacture in-house, we rely on our suppliers to provide all other EV components used in assembling our E2Ws in-house. Any loss of key suppliers, or any failure or refusal by them to supply such components to us could cause business disruptions.***

We manufacture battery packs in-house using lithium-ion cells procured from suppliers and outsource the manufacturing of all other vehicle components, such as motor controllers, transmissions, vehicle control units, dashboards, DC-DC converters, harnesses and chassis, to third-party suppliers. Chargers and motors are also procured from our suppliers who design and manufacture them. We assemble the components into our E2Ws at our Hosur Factory. Thus, we are reliant on our suppliers for the continued supply of such component parts and any failure on the part of our suppliers, particularly key suppliers, to deliver such parts in accordance with the terms of our arrangements with them, could cause business disruptions, including delays in manufacturing and delivery timelines.

The following table provides an overview of the E2W components designed in-house, manufactured in-house and outsourced to suppliers for manufacturing.

| E2W component | Designed in-house | Manufactured in-house | Outsourced manufacturing |
|--------------------------------|-------------------|-----------------------|--------------------------|
| Battery Pack (excluding cells) | ✓ | ✓ | |
| Motor | | | ✓ |
| Transmission | ✓ | | ✓ |
| Motor Controller | ✓ | | ✓ |
| Vehicle Control Unit | ✓ | | ✓ |
| Dashboard | ✓ | | ✓ |
| DC-DC Converter | ✓ | | ✓ |
| Harnesses | ✓ | | ✓ |
| Chassis | ✓ | | ✓ |
| Charger (portable)* | | | ✓ |

*Only includes our portable chargers for home charging, which are bundled and sold with our E2Ws. Our public fast chargers and neighbourhood chargers are designed in-house with outsourced manufacturing. For further details, see “**Our Business – Our Charging Infrastructure**” on page 293.

If our suppliers are unable to provide us with the required quantity of components, at commercially reasonable prices or within the required time frame, or are unable to meet our quality or design requirements, we may be required to seek alternative suppliers. There is no assurance that we will be able to do so in a timely manner or on commercially reasonable terms. For further details on the risks related to our supply chain, see “**If our suppliers fail to deliver components used in our electric two-wheelers in accordance with agreed volumes and schedules or increase their prices, we may face delays in our manufacturing and delivery timelines or be required to increase the retail price of our electric two-wheelers.**” on page 64.

2. ***We have received some customer complaints pertaining to our products in the past. There is no assurance that we will not receive similar complaints in the future or that we will be able to address such customer complaints in a timely manner or at all.***

While any E2Ws we deliver must meet the relevant EV standards prescribed by the ARAI and the Automotive Industry Standards as amended from time to time, these testing and approval protocols may not succeed in identifying and addressing all latent, potential and other defects.

We received some customer complaints from time to time relating to our products. For instance, we received product failure complaints on range prediction issues on the charge of our earlier Ather 450 model, durability issues with our transmission belt, motor cut-offs due to harness issues, battery-related issues and issues around inadequate product design for our mud flaps. In the nine months ended December 31, 2024 and December 31, 2023 and in Fiscal Years 2024, 2023 and 2022, we received 2,383, 926, 1,341, 1,631 and 115 customer complaints related to our vehicles, respectively, of which 68, 63, 63, 43 and 6 complaints were related to battery-related issues, respectively. We have established a standard procedure to effectively process and handle customer complaints. We monitor trends in customer complaints and turnaround times for complaint resolutions. For further details, see “**Our Business – Redressal of Customer Concerns and Complaints**” beginning on page 308.

While we were able to address the customer complaints received through various interventions, such as design modifications, software updates, and complementary extended warranty coverage and replacements, there is no assurance that we will be able to adequately address future product failures. We were required to compensate our customers in three such instances relating to complaints received in respect of deficiency of service, and arrived at a mutual settlement with our customers in three other such instances, during the nine months ended December 31, 2024, and in Fiscal Years 2024, 2023 and 2022. As of December 31, 2024, there were 134 pending customer complaints, of which 25 complaints were more than 30 days old. While such complaints have not had a material effect on our business, we cannot assure you that incidents arising from defects in the E2Ws will not cause us to incur significant cost or damage our reputation. For further details, see “**Our Business – Redressal of Customer Concerns and Complaints**” section on page 308. See also “**– The lithium-ion cells used in our electric two-wheelers’ batteries could catch on fire or vent smoke even if properly manufactured, managed or controlled.**”

Such instances could subject us to adverse publicity, which may impact our brand, business, prospects, financial condition and results of operations.” on page 48.

In the ordinary course of business, our Company has been made party to certain proceedings before various consumer dispute redressal commissions by our customers alleging *inter alia* (i) delivery of defective vehicle, range issues, underperformance and failure of battery, erroneous display of range, (ii) delay in delivery of our E2W post-advance payment and deficiency in products, and (iii) improper servicing of E2Ws, deficiency in service and unavailability of spare parts.

For details on litigation initiated by customers before consumer forums, please refer to “***Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Other Matters***” on page 477.

3. ***We have incurred losses since incorporation. We had stagnant revenue growth in Fiscal Year 2024 and loss before tax of ₹5,779 million and ₹10,597 million in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. There is no assurance that we will be cost effective in our operations or achieve profitability in the future.***

We derive our revenue principally from sales of our E2Ws, supplemented by sales of the Atherstack, accessories and other services. Some of the accessories include sidesteps, seat covers, tyre pressure monitoring systems and helmets. We also offer services such as charging services, warranty programs and software subscription programs. The table below shows our revenue from operations and loss before tax for the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|-------------------------|--------------------------------|---------|-------------|---------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | | | (₹ million) | | |
| Revenue from operations | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| Loss before tax | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |

Revenue from operations declined slightly in Fiscal Year 2024 as compared to Fiscal Year 2023 primarily due to the reduction in the Faster Adoption and Manufacturing of Electric (“**FAME**”) subsidies which took effect from June 1, 2023, and effectively increased the retail price of our E2Ws and caused a decline in revenue from sales of E2Ws. However, our E2W sales volume increased as we launched new variants, including the Ather 450X (2.9 kWh) and Ather 450S, our lower price models, and the Ather 450 Apex, our most premium model. Revenue from these new variants partially offset the decline in revenue from sale of E2Ws. See “***Management’s Discussion and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Fiscal Year 2024 compared to Fiscal Year 2023 – Revenue from Operations***” on page 450.

We may continue to incur operating losses as we invest in expanding our manufacturing capabilities, distribution network, product portfolio and charging infrastructure. We may not realise expected returns from such investments in the future. There is also no assurance that we will be able to increase our revenue in the future. Our ability to achieve profitability will depend on many factors, including our ability to increase our total revenue, fully utilise our production capacity to produce E2Ws at scale, control our costs, increase sales of our E2Ws in India, Nepal, and Sri Lanka and any other international markets that we enter, expand our charging infrastructure, and expand our business internationally. We cannot assure you that our expansion into international markets will be profitable, nor can we guarantee that our products can be sold at favourable margins. Failure to become profitable would materially and adversely affect the value of your investment in our Company.

4. *We have incurred negative cash flows from operations continuously since incorporation. We had net cash used in operating activities of ₹7,171 million and ₹2,676 million in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. Negative cash flows may adversely impact our liquidity and prospects.*

We have had negative cash flows from operations continuously since our incorporation. We may continue to incur negative cash flows as we invest in expanding our manufacturing capabilities, distribution network, product portfolio and charging infrastructure. There is no assurance that we will be able to achieve positive cash flows from operating activities and a net working capital surplus.

The table below sets forth our negative cash flows from operating activities for the periods indicated. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows – Operating Activities*” on page 460.

| | Nine months ended December 31, | | Fiscal Year | | |
|---------------------------------------|--------------------------------|---------|---------------------|---------|---------|
| | 2024 | 2023 | 2024 (₹ million) | 2023 | 2022 |
| Net cash used in operating activities | (7,171) | (5,763) | (2,676) | (8,713) | (2,284) |

See also “– *We have incurred losses since incorporation. We had stagnant revenue growth in Fiscal Year 2024 and loss before tax of ₹5,779 million and ₹10,597 million in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. There is no assurance that we will be cost effective in our operations or achieve profitability in the future.*” on page 45.

5. *Our limited operating history makes evaluating our business and future prospects difficult and our historical performance may not be indicative of future performance.*

Our Company was incorporated in 2013 and launched our first E2W, the Ather 450, in June 2018. As we have a limited operating history, there is a limited historical basis on which we can make judgements regarding our ability to develop, manufacture, and deliver E2Ws or their components or our results of operations, including our ability to achieve profitability in the future. Our historical revenue growth should not be considered indicative of our future performance.

The following table sets forth our revenue from operations and loss for the periods indicated. See also “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Summary Results of Operations*” on page 448.

| | Nine months ended December 31, | | Fiscal Year | | |
|--------------------------|--------------------------------|---------|---------------------|---------|---------|
| | 2024 | 2023 | 2024 (₹ million) | 2023 | 2022 |
| Revenue from operations | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| Loss for the year/period | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |

Further, when analysing our business and prospects, consideration should also be given to the risks and challenges our Company faces as a new entrant to the EV industry. These include our ability to develop our underlying technologies, navigate the dynamic EV regulatory framework domestically and abroad, manufacture reliable E2Ws, related components and accessories, expand our product portfolio and enhance our brand image. If we are unsuccessful in addressing any or all of the risks and challenges we face as a pure play EV company, our business and prospects may be materially and adversely affected.

6. ***Our future growth is dependent on the demand for and adoption of electric two-wheelers. According to the CRISIL Report, we had a 10.7% and 11.5% market share of the Indian E2W market in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. If the market does not develop as we expect, or develops at a speed that is slower than anticipated, our business, prospects, financial condition and operating results will be affected.***

Demand for our E2Ws and services greatly depends on the demand for EVs in the Indian EV market, and in particular, E2Ws. According to the CRISIL Report, in the last two to three years, EV offerings have increased multi-fold with the entry of new players, expansion of legacy players and profile expansion of current players. However, compared to internal combustion engine (“ICE”) vehicles, EV options are still at a nascent stage. According to the CRISIL Report, ICE scooters made up 84.8% and 85.3% of domestic scooter sales in the nine months ended December 31, 2024 and Fiscal Year 2024 respectively, while e-scooters made up 15.2% and 14.7% for the same periods, respectively.

The following table sets forth the market share of our Company and other E2W players in the Indian market for the periods indicated, according to the CRISIL Report.

| | Nine months ended December 31, | | Fiscal Year | | |
|--|-----------------------------------|-------|-------------|-------|-------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Ather Energy Limited | 10.7% | 11.3% | 11.5% | 10.6% | 7.9% |
| Ola Electric Mobility Limited | 34.1% | 33.0% | 35.1% | 21.0% | 5.7% |
| TVS Motor Company Limited | 19.4% | 19.6% | 19.3% | 11.3% | 3.9% |
| Bajaj Auto Limited | 18.1% | 10.4% | 11.4% | 3.9% | 2.8% |
| Hero Motocorp Limited | 4.3% | 1.6% | 1.9% | 0.1% | 0.0% |
| Greaves Electric Mobility Limited (Ampere) | 3.3% | 7.2% | 5.7% | 12.0% | 10.1% |
| Okinawa Autotech Private Limited | 0.4% | 2.9% | 2.2% | 13.2% | 18.9% |
| Hero Electric Private Limited | 0.2% | 1.6% | 1.2% | 12.3% | 27.2% |
| Others | 9.5% | 12.4% | 11.7% | 15.6% | 23.5% |

Source: CRISIL Report

Note: E2W market share is based on retail volume for E2Ws, according to VAHAN.

Further, there is generally a limited awareness and understanding of the benefits such as a lower total cost of ownership, that EVs offer beyond environmental gains. The limited awareness and understanding of these benefits may restrict the mass scale adoption of EVs, according to the CRISIL Report. Factors that may influence the adoption of EVs include:

- perceptions about EV quality, safety, design, performance and cost, especially if adverse events or accidents occur that are linked to the quality, safety or durability of EVs, whether such vehicles are produced by us or other companies;
- uncertainty about EV resale value;
- vehicle finance rates for purchase of EVs;
- developments in alternative technologies in ICE vehicles, such as advanced diesel, hydrogen, ethanol, fuel cells, or compressed natural gas, improvements in the fuel economy or other features of ICE vehicles, or lower cost of gasoline, which lower the total cost of ownership of ICE vehicles;
- the availability of service and spare parts and component replacement costs for EVs;
- the environmental consciousness of consumers;
- access to charging stations, standardisation of EV charging systems and consumers’ perceptions about convenience and cost to charge an EV;
- traffic congestion resulting in lower demand for private passenger vehicles;
- insurance premiums for EVs;

- the availability of tax and other governmental subsidies and incentives to purchase and operate EVs; and
- macroeconomic factors.

If the market for EVs does not develop as we expect, or develops more slowly than we expect, our business, prospects, financial condition and operating results will be affected.

7. *The lithium-ion cells used in our electric two-wheelers' battery packs could catch on fire or vent smoke even if properly manufactured, managed or controlled. Such instances could subject us to adverse publicity, which may impact our brand, business, prospects, financial condition and results of operations.*

We manufacture our E2W battery packs using lithium-ion cells imported from third-party suppliers. Even if properly manufactured, stored or managed or if exposed to environmental stressors, lithium-ion cells may release the energy they contain by venting smoke or may catch fire and ignite surrounding objects. Our batteries undergo various tests, such as over temperature testing, mechanical drop testing and extreme vibration testing. Our battery systems comply with and are tested for AIS 156, the latest proposed standard for India by the Ministry of Road Transport and Highways. Our battery packs are also tested to ensure an IPX7 waterproof rating and undergo various tests, including water resistance tests, for purposes of certification by the Automotive Research Association of India. Despite these tests, our E2Ws or their battery packs have experienced certain failures in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022. While these past failures have neither had a material impact on our business nor have they resulted in any bodily injuries or deaths, there is no assurance that we will not experience failures in the future that could result in bodily injury or death and could subject us to litigation, including product liability claims, field actions (including product recalls), or redesign efforts, all of which would be time consuming, expensive and could harm our brand. There is no assurance that we will not face any lawsuits or product liability claims in the future, which could require us to pay substantial monetary compensation. Our lithium-ion cell suppliers provide 15 to 24-month warranties for their products. Such supplier warranties and our insurance coverage might not be sufficient to cover all such potential product liability claims against us. This in turn could affect our brand, business, prospects, financial condition and results of operations.

In addition, we store the lithium-ion cells at our facilities. While we have implemented safety procedures related to the handling of the lithium-ion cells and have not faced any material safety issues in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, any mishandling of lithium-ion cells at our facilities or during transportation between our facilities could lead to safety issues or fires which could disrupt our operations. Such damage or injury could lead to adverse publicity and potentially a safety recall. Moreover, any failure of a competitor's EV or energy storage product or negative public perceptions regarding the suitability of lithium-ion cells for automotive applications, the social and environmental impacts of mineral mining or procurement associated with the constituents of lithium-ion cells, or any future incident involving lithium-ion cells, such as a vehicle or other fire, may result indirect adverse publicity for us and our products. Such adverse publicity could negatively affect our brand and harm our business, financial condition, results of operations and prospects.

8. *Any disruptions in the availability and any changes in the pricing and quality of lithium-ion cells could cause significant disruptions to and adversely impact our business operations.*

We sourced our lithium-ion cells, one of the critical components in our E2Ws, from two foreign suppliers located in China and South Korea in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022. As we rely on foreign suppliers for the supply of lithium-ion cells and our general purchase agreements with our cell suppliers do not specify terms such as price and quantum, we face more pronounced risks relating to the availability, pricing and quality of lithium-ion cells. These risks include disruptions in the supply of lithium-ion cells due to a demand surplus for lithium-ion cells or quality issues or recalls by cell manufacturers. Such suppliers also supply to other customers which may limit the quantity of lithium-ion cells available for sale to us.

The growth in popularity of EVs without a significant expansion in cell production capacity could result in shortages and cause suppliers to increase their prices, thereby increasing our own production costs. An increase in the cost of, or decrease in the available supply of, raw materials used in cell manufacturing, such as lithium, nickel, cobalt, manganese oxides, aluminium, graphite, copper and other minerals, or

the occurrence of natural disasters, logistical interruptions, local disruptions, trade restrictions or labour shortages could also affect our suppliers' manufacturing schedules and supplies.

Further, in relation to the sourcing lithium-ion cells from China, we may experience supply disruptions and increased costs in the event of any changes in the policies, rules and regulations of the Indian or Chinese government relating to imports or exports from China, whether as a result of geopolitical factors or for other reasons, such as the implementation of trade tariffs or a complete halt on imports from China. While we have not experienced any material disruptions in the supply of or adverse changes in the pricing or quality of the lithium-ion cells that we imported in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there is no assurance that such risks will not materialise in the future. We cannot assure you that in the event of such occurrences, we will be able to find alternative suppliers of lithium-ion cells in a timely manner in sufficient quantities, to our required specifications and quality levels, or at reasonable prices.

Any of the aforementioned events would impact our projected manufacturing and delivery timelines, and adversely affect our business, prospects, financial condition, results of operations, and cash flows.

9. *We rely on imports from certain countries, such as China, and supplies of such imports may be disrupted by changes in government regulations or policies, deterioration in economic conditions or escalation of trade tensions.*

During the nine months ended December 31, 2024, we imported supplies from China and Hong Kong SAR and in Fiscal Years 2024, 2023 and 2022, we imported supplies from China, Hong Kong SAR, Singapore and South Korea. In such periods, we imported seven E2W components for E2W manufacturing, comprising five battery components, one electronic component and one mechanical component. Any disruptions to the supply of imported materials could cause delays in our E2W manufacturing and delivery times, and in turn, adversely affect our results of operations, cash flow and reputation.

The table below shows the cost of imported materials consumed by country as a percentage of the total cost of materials consumed for our E2Ws for the periods indicated.

| Country | Nine months ended December 31, | | Fiscal Year | | |
|---------------|--------------------------------|------------|-------------|------------|------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| China | 25% | 30% | 28% | 10% | - |
| Hong Kong SAR | 0%* | 0%* | 0%* | 0%* | 0%* |
| Singapore | - | 0%* | 0%* | 0%* | 0%* |
| South Korea | - | 0%* | 0%* | 20% | 20% |
| Total | 25% | 30% | 28% | 30% | 20% |

*Denotes less than 0.5%.

The Indian Government may take administrative, legislative or regulatory action that could interfere with our ability to purchase supplies from such countries, such as additional new tariffs that increase the cost or feasibility of importing certain products from such countries. Sustained uncertainty about, or worsening of, current global economic and political conditions and escalations of trade tensions could result in a global economic slowdown and long-term changes to global trade, including retaliatory trade restrictions. As a result, we may be required to seek domestic suppliers in place of the foreign suppliers, and there is no assurance that we will be able to find alternative suppliers that meet our requirements. Any alterations to our business strategy or operations made in order to adapt to or comply with any such changes would be time-consuming and expensive. See also “— *Any disruptions in the availability and any changes in the pricing and quality of lithium-ion cells could cause significant disruptions to and adversely impact our business operations.*” beginning on page 48.

10. *There are outstanding legal proceedings against our Company, certain of our Promoters and our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, cash flows and reputation.*

As at the date of this Red Herring Prospectus, there are outstanding legal proceedings involving our Company, certain of our Promoters and Directors. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

A summary of the outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and material civil litigation as defined in the section “**Outstanding Litigation and Material Developments**” beginning on page 476, involving our Company, certain of our Promoters and Directors, along with the amount involved, to the extent quantifiable, has been set out below:

| Category of individuals/entities | Criminal proceedings | Tax proceedings | Statutory or regulatory actions | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters in the last five years, including outstanding action | Material civil litigations as per the Materiality Policy | Aggregate amount involved* (in ₹ million) |
|---|----------------------|-----------------|---------------------------------|--|--|---|
| Company | | | | | | |
| By our Company | Nil | Nil | NA | NA | Nil | Nil |
| Against our Company | 1 | 35 | Nil | Nil | Nil | 1,161.98** |
| Directors | | | | | | |
| By our Directors | Nil | Nil | Nil | NA | Nil | Nil |
| Against our Directors | 1 | 14 | Nil | Nil | Nil | Nil |
| Promoters | | | | | | |
| By the Promoters# | 1 | Nil | Nil | NA | Nil | Nil |
| Against our Promoters# | 9^^ | 74 | 2 | Nil | Nil | 101,438.60^ |
| Group Company | | | | | | |
| By our Group Company | Nil | Nil | Nil | Nil | Nil | N.A. |
| Against our Group Company | Nil | Nil | Nil | Nil | Nil | N.A. |
| Key Managerial Personnel and Senior Management | | | | | | |
| By our KMP and SMP | Nil | N.A. | Nil | N.A. | N.A. | N.A. |
| Against our KMP and SMP | Nil | N.A. | Nil | N.A. | N.A. | N.A. |

* To the extent quantifiable.

** This amount excludes interest and penalty.

^This amount includes interest and penalty wherever applicable.

#All litigations reflected hereunder are related to our Corporate Promoter.

^^ Additionally, there are certain matters pertaining to violations of Motor Vehicles Act, 1988, as amended, which have been reported, in which HMCL has been impleaded as a party before various courts and forums.

The tax proceedings against our Company disclosed above, i.e., 35 proceedings involve matters where the relevant tax authorities have initiated enquiries and our Company has made certain submissions or preferred appeals before the relevant authorities. Out of these 35 proceedings, there are only six material tax claims against our Company, that exceed the materiality threshold (1% of the net worth of our Company as at March 31, 2024, i.e., ₹55 million) contributing to approximately 93% of the aggregate amount involved in the tax proceedings. For further details of such matters, see “**Outstanding Litigation and Material Developments – I. Litigation involving our Company – C. Tax proceedings involving our Company**” on page 477.

All tax matters disclosed above in respect of our Directors, relate to matters being pursued against Sanjay Nayak and Tejas Networks Limited, where he was the managing director and chief executive officer until June, 2023, under the Income Tax Act, initiated by the Income Tax department for assessment years 2012-13 to 2018-19. All tax matters disclosed above in respect of our Promoters, relate to 30 direct tax and 44 indirect tax matters against our Corporate Promoter, Hero MotoCorp Limited, a listed entity governed by the disclosure requirements under the SEBI Listing Regulations.

We cannot provide any assurance that these legal proceedings will be decided in our favour or that we will not, in the future, be implicated in lawsuits or legal proceedings, including in relation to tax matters, civil disputes, labour and service matters, statutory notices and regulatory petitions. We may incur substantial costs in defending ourselves in such legal proceedings and settlement of disputes and any

applicable fines or penalties, and such legal proceedings would divert the time and resources of our management. Thus, any legal proceedings to which we are party and any adverse decisions arising from such proceedings could have a material adverse effect on our business, reputation, prospects, results of operations, financial condition and cash flows, and cause a delay in the implementation of our current or future projects.

Further, we received a show cause notice dated March 29, 2023 from IFCI Limited on behalf of the MHI, seeking a reply in relation to certain matters including with respect to non-inclusion of on-board chargers in EVs, under the FAME Scheme II and Phased Manufacturing Program Guidelines. We submitted detailed responses to ARAI dated April 12, 2023 and May 2, 2023 offering a refund of the amount invoiced for the off-board / portable chargers to our customers, which amounted to an aggregate of approximately ₹1.58 billion for our Company. In this regard, by way of our letters dated March 12, 2024, March 22, 2024 and July 9, 2024 to the Ministry of Heavy Industries, our Company submitted that it has concluded the process of processing the refunds for the off-board / portable chargers to 93% of the customers, having submitted statutory auditor certificates to IFCI Limited in this regard periodically and has paid deposit to IFCI towards processing such pending refunds. As of December 31, 2024, our Company has refunded a total of ₹1,461 million to our customers for liability towards “off-board chargers”. Our Company further requested the MHI to release all pending deposits of refunds for the chargers made by our Company to the customers, of which certain amounts are pending to be released to us, and treat the matter pertaining to the show-cause notice dated March 29, 2023 as closed. Subsequently, the MHI has instructed us to issue a public notice asking the eligible customers to claim refunds within three months of the issuance of such public notice. Accordingly, we have made such public notice to our customers on January 19, 2025 and once contacted, our Company would process the refunds of such customers. Failure to contact us within three months of such public notice would result in the closure of the refund process for such customers. However, there is no assurance that all such deposits of refunds for the chargers will be released to us, in entirety. Our Company has also deposited an amount of ₹168 million towards adjustment of incentive for differential battery capacity (including interest).

Further, Bahadur Chand Investments Private Limited, one of our Promoter Group members, was subject to a penalty of ₹ 3.00 million pursuant to the order of the RBI dated January 6, 2023 for non-compliance with certain provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 and Directions on Information Technology Framework for the NBFC Sector. Further, on May 22, 2024, the RBI imposed a penalty of ₹0.31 million on Hero Fincorp Limited, one of our Promoter Group members and Group Company, for not conveying the terms and conditions of its loans in writing to the borrowers in their respective vernacular language. Such penalties have been paid by the respective companies as on date.

In addition, we receive correspondences and notices from various authorities from time to time, such as from the director of factories, legal metrology department, labour inspector/ commissioner, employees' state insurance corporation etc over the course of our operations, in respect of which we provide our responses to such authorities. There can be no assurance that such authorities will find our responses satisfactory and not initiate proceedings/ impose penalties in relation thereto.

11. Failure to attract customers could adversely affect our results of operations, financial condition, profitability and prospects.

Our success depends on our ability to attract customers to purchase our E2Ws, accessories, Atherstack and charging services. We allocate significant resources to advertising and marketing activities, including promotional discounts on our E2Ws, and there can be no assurance that such efforts will yield their expected benefits in terms of attracting customers to us. For the periods indicated, our advertisement and marketing expenses were as follows:

| | Nine months ended December 31, | | Fiscal Year | | |
|--|--------------------------------|------|-------------|-------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Advertisement and marketing expense (₹ million)* | 1,170 | 715 | 1,071 | 2,259 | 539 |
| Advertisement and marketing expense as a percentage of revenue from operations (%) | 7% | 6% | 6% | 13% | 13% |

*Inclusive of ₹164 million, ₹124 million, ₹164 million, ₹221 million and ₹84 million as taxes in the nine months ended December

31, 2024, the nine months ended December 31, 2023 and in Fiscal Years 2024, 2023 and 2022 respectively.

For further details of our marketing initiatives, see “**Our Business – Marketing**” on page 307.

Our ability to attract customers depends on many factors, including timely delivery of E2Ws and developing software that meet customers’ requirements and comply with relevant regulatory and industry standards, effective advertising, providing high quality after sales services, partnering with quality service providers and dealerships, expanding our charging infrastructure, as well as growing our brand and reputation in the E2W market.

While we have not experienced any material issues in addressing customer complaints regarding any of our products and services during the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, and have set in place customer grievance redressal mechanisms, any deficiency in the redressal of our customers’ complaints can also affect customer satisfaction which may impact our reputation and brand. If, for any of these reasons, we are not able to attract and retain customers, our business, prospects, financial condition, results of operations and cash flows would be materially harmed.

12. Our market share of the Indian E2W market was relatively stagnant at 10.7% and 11.5% in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively.

The following table sets forth the market share of our Company in the Indian E2W market for the periods indicated according to the CRISIL Report.

| | Nine months ended December 31, | | Fiscal Year | | |
|--------------|-----------------------------------|-------|-------------|-------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Market share | 10.7% | 11.3% | 11.5% | 10.6% | 7.9% |

Our market share remained relatively stable across the aforementioned periods. Our ability to maintain or grow our market share depends on our ability to compete within India’s E2W market, including through the introduction of new and improved E2W, products and services. See “**Our competitiveness within the highly competitive Indian automotive market depends on our ability to develop, market and deliver new and quality electric two-wheeler models and products and launch new associated services. There is no assurance that we will be able to successfully compete in the markets we currently operate in or those that we plan to expand into, compete with new or existing players, or maintain or grow our market share, which may affect our business, operations and financial condition.**” on page 54. There is no assurance that we will be able to maintain our market share or grow it in the future. Failure to increase our market share could adversely impact our results of operations, profitability and prospects.

13. Our statutory auditors have identified certain emphasis of matters in their auditor reports.

Our statutory auditors have noted an emphasis of matter in their auditor report in Fiscal Year 2022 as highlighted in the table below.

| Emphasis of matters | | |
|-------------------------------------|---|--|
| Fiscal Year 2022 (standalone) | We draw attention to note 1.2 to the financial statements with regard to the basis of preparation of the financial statements. As mentioned therein, the Company has incurred a net loss of Rs. 3,441 Million during the year ended March 31, 2022 and, as of that date, has accumulated loss of Rs. 9,629 Million. Further the Company’s current liabilities exceeded its current assets by Rs. 1,017 Million. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note. | |

We cannot assure you that our Statutory Auditor’s reports for any future financial period will not contain similar matters or other emphasis of matters, adverse remarks, observations or other matters and that such matters will not otherwise affect our results of operations and cash flows in the future. For further information, see “**Restated Financial Information – Emphasis of Matter**” on page 361.

14. ₹7,500 million of the Net Proceeds are intended to be utilised for investment into our research and development requirements, which constitutes a significant portion of the Net Proceeds proposed to be

raised from the Offer. There is no assurance that such investment will proceed as planned and nor can we guarantee that it will result in the creation of tangible assets or otherwise achieve results or outcomes as anticipated.

We intend to use the Net Proceeds from this Offer for the purposes described in “***Objects of the Offer***” on page 166. The objects of the Offer comprise (i) capital expenditure to be incurred by our Company for establishment of Factory 3.0 in Maharashtra; (ii) repayment / pre-payment, in full or part, of certain borrowings availed by our Company; (iii) investment in R&D; (iv) expenditure towards marketing initiatives; and (v) general corporate purposes.

Our R&D costs comprise manpower and non-manpower costs. Manpower costs include payment of salaries to our design engineers, graduate engineering trainees, research scientists, industrial designers, data scientists and other professionals and off-roll employees involved in design and development of our E2W products, software, charging infrastructure and accessories in the verticals of design, engineering, product management and product ownership. Non-manpower costs include testing expenses, prototyping costs, licensing costs for product development activities, development of tools such as moulds for casting, fixtures for welding and machining, for components, expenditure relating to operations of testing facilities and labs. The following table sets forth a breakdown of our R&D expenditure by manpower and non-manpower costs for the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|--|--|---------------------|---------------------|---------------------|---------------------|
| | 2024 ⁽¹⁾ | 2023 ⁽²⁾ | 2024 ⁽³⁾ | 2023 ⁽⁴⁾ | 2022 ⁽⁵⁾ |
| | <i>(₹ million, unless otherwise indicated)</i> | | | | |
| Manpower costs for R&D | 1,309 | 1,113 | 1,518 | 1,204 | 575 |
| Manpower costs for R&D as a % of total R&D Expenditure | 55% | 68% | 64% | 63% | 57% |
| Non-manpower costs for R&D | 1,079 | 524 | 847 | 712 | 435 |
| Non-manpower costs for R&D as a % of total R&D expenditure | 45% | 32% | 36% | 37% | 43% |
| Total R&D Expenditure | 2,388 | 1,637 | 2,365 | 1,916 | 1,010 |

Notes:

(1) Inclusive of ₹149 million as taxes.

(2) Inclusive of ₹96 million as taxes.

(3) Inclusive of ₹142 million as taxes.

(4) Inclusive of ₹132 million as taxes.

(5) Inclusive of ₹55 million as taxes.

In relation to our R&D investments, we intend to utilise ₹7,500 million of the Net Proceeds, which constitutes a significant portion of the Net Proceeds we propose to raise from the Offer. Our R&D expenditures include, among others, the design and development costs in relation to our key E2W components, new motorbike platform, Atherstack, accessories and charging technology. For further details, see “***Objects of the Offer – Investment in research and development***” on page 185.

There is no assurance that our R&D activities will result in the creation of any tangible assets for our Company, nor can we guarantee that our investments can achieve the expected results. Failure to do so may adversely impact our business, prospects, financial condition, results of operations, and cash flows.

15. *Our sales are geographically concentrated in South India, exposing us to additional risks of business disruptions arising from natural disasters, regional unrest and regulatory changes in South India.*

Sales from our retail centres in south zones in India contributes to a significant portion of our revenue. Due to this geographical concentration, any occurrences affecting southern India’s economy could disrupt our sales activities and reduce our overall sales volume, thereby adversely affecting our business, operating results and financial condition. The following table provides a breakdown of our E2W sales volumes by region in the periods indicated.

| Zones | Nine months ended December 31, | | Fiscal Year | | |
|--|-----------------------------------|---------------|----------------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| <i>(Units, unless otherwise indicated)</i> | | | | | |
| South | 65,914 | 50,340 | 74,372 | 60,977 | 15,199 |
| % of total volume | 61% | 68% | 68% | 66% | 65% |
| North | 10,971 | 6,315 | 9,315 | 7,389 | 1,973 |
| % of total volume | 10% | 8% | 9% | 8% | 8% |
| East | 7,230 | 4,166 | 6,006 | 3,049 | 297 |
| % of total volume | 7% | 6% | 5% | 3% | 1% |
| West | 16,812 | 12,181 | 17,899 | 19,737 | 5,566 |
| % of total volume | 16% | 16% | 16% | 22% | 24% |
| Central | 6,338 | 1,204 | 1,704 | 941 | 367 |
| % of total volume | 5% | 2% | 2% | 1% | 2% |
| Exports | 718 | 127 | 281 | - | - |
| % of total volume | 1% | 0%* | 0%* | - | - |
| Total | 107,983 | 74,333 | 109,577 | 92,093 | 23,402 |
| % of total volume | 100% | 100% | 100% | 100% | 100% |

*Denotes less than 0.5%.

See “*Our Business - Our Strategies – Expand and deepen our distribution network in India and beyond*” on page 275.

Natural disasters, regional unrest and regulatory changes in south zones in India could have a disproportionate impact on the demand for our E2Ws. Although we have not experienced any major disruptions to our sales in south zones in India in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, we cannot guarantee that such disruptions will not occur in the future.

16. We are or may be subject to risks associated with strategic alliances or acquisitions.

We have entered into and may in the future enter into strategic alliances, such as joint ventures or equity investments, with various third-parties to further our business purpose from time to time. For example, we have entered into a collaboration agreement with Hero MotoCorp Limited (“**HMCL**”) dated November 23, 2023 (the “**Collaboration Agreement**”), pursuant to which our Company and HMCL have agreed to collaborate on enabling the interoperability of charging stations and other ancillary activities. Pursuant to the Collaboration Agreement, our Company and HMCL have agreed to develop and set up a charging management system in relation to interoperability between the charging stations of our Company and of HMCL, through open charge point interface (“**OCPI**”). Accordingly, EVs of HMCL and EVs of our Company will be able to access and charge at both charging stations of our Company and HMCL, respectively, and such usage would be referred to as “**Roaming Session**”. For further details, see “*History and Certain Corporate Matters – Other material agreements*” on page 333.

These alliances could expose us to various risks, including those associated with sharing proprietary information, non-performance by the third-party and increased expenses in establishing new strategic alliances. Our capacity to oversee or influence our partners’ actions is limited, and to the extent any of these associates encounter negative publicity, our own reputation may be affected due to our association with them. Additionally, inefficiencies in processes or inadequate training of personnel could lead to operational shortcomings and elevated expenses. Furthermore, any problems arising from our partners’ use of licensed technologies, including product recalls, safety issues, or resulting legal disputes, could negatively harm the ‘Ather’ brand. Any of these risks may materially and adversely affect our business, results of operation and financial conditions.

Moreover, we may acquire additional assets, products, technologies or businesses that are complementary to our current operations. In addition to shareholder approvals, these acquisitions may also require regulatory approvals and compliance with relevant Indian or foreign laws, potentially causing delays and additional costs, and could disrupt our business strategy if not obtained. Past and future acquisitions and the subsequent integration of new assets and businesses into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. There is no guarantee that acquired assets or businesses will yield the expected financial returns. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of

significant goodwill impairment charges, amortisation expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant.

17. We may not be able to sustain historical revenue growth rates and our historical performance may not be indicative of our future growth or financial results.

Our business has grown substantially since inception except in Fiscal Year 2024 when we experienced a revenue decline due to the FAME subsidy reduction. We cannot assure you that our historical growth rate will be sustainable or achieved at all in the future or that we will be able to successfully execute our business strategies. If we are not able to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected. The table below sets out our revenue from operations in the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|-------------------------|-----------------------------------|--------|---------------------|--------|-------|
| | 2024 | 2023 | 2024 (₹ million) | 2023 | 2022 |
| Revenue from operations | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |

See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Principal Components of Statement of Profit and Loss – Income – Revenue from Operations*” on page 437.

We may also experience a decline in our revenue growth rate as a result of a number of factors, including slowing demand for our products and services, stalled growth of our charging infrastructure and distribution network, increasing competition, a decrease in the growth of our overall market and increasing regulatory costs, any of which would have a material adverse impact on our cash flows, financial condition and results of operation.

18. As we operate in the competitive Indian automobile market, we may face downward pricing pressures that may require us to reduce the price of our electric two-wheelers. A reduction in the price of our electric two-wheelers will reduce profitability, which will adversely affect our business, prospects and results of operations.

We operate in the competitive Indian automobile market. Certain of our competitors may, due to their size or market penetration, be able to source raw materials at lower prices or manufacture their two-wheelers more cost-efficiently. In light of the reduction in production costs, and other relevant considerations, our competitors may price their 2Ws at lower price points. To remain competitive, we may be compelled to reduce the prices of our E2Ws and such reduction in pricing without any cost reductions will harm our ability to achieve profitability. As a result, our business, prospects and results of operations may be adversely affected.

19. We had ₹608 million of contingent liabilities as of December 31, 2024, which represented 56% of our net worth, and capital commitments of ₹508 million, which represented 47% of our net worth, as at such date. We had litigation amounting to ₹1,161.98 million, which represented 108% of our net worth, as of the date of this Red Herring Prospectus, a portion of which is disclosed as contingent liability. If our contingent liabilities materialise, it may affect our results of operations, financial condition and cash flows.

As of December 31, 2024, we had 29 litigation cases aggregating to ₹799 million (to the extent quantifiable, excluding interest and penalties), including ₹608 million in claims against the Company not acknowledged as debt. The following table sets forth details of our contingent liabilities and capital commitments as of December 31, 2024 as per Ind AS 37 and set out in the Restated Financial Information. The table below summarises our contingent liabilities and capital commitments as of December 31, 2024.

| Particulars | As of December 31, 2024 (in ₹ million) |
|---|---|
| Contingent Liabilities | |
| Claims against the Company not acknowledged as debt (Custom Duties, GST, income tax and other litigation)* | 608 |

| Particulars | As of December 31, 2024 (in ₹ million) |
|---|---|
| Capital Commitments | |
| Estimated amount of contracts remaining to be executed on account of capital account and not provided for (net of advances) | 508 |

**Note: The Company received a pre-show cause intimation notice dated March 21, 2024 and subsequently a show cause notice dated April 16, 2024 ("SCN") from the Office of the Assistant Commissioner, Chennai under section 73 of the Central Goods and Services Tax Act, 2017 read with rules and regulations, made thereunder. The GST department had taken up the scrutiny in accordance with the above section and observed discrepancies in the input tax credit availed for the Fiscal year 2022-2023 and raised a demand of ₹598 million. Against this demand, the Company filed a reply dated May 14, 2024 explaining the fact that input tax credit has been availed in accordance with law and which was also reconciled with annual return and hence there was no discrepancy noticed. However, thereafter, an order was issued against the Company dated November 04, 2024 confirming the above stated demand. The Company has filed an application for rectification before the Assistant Commissioner, Nungambakkam, Tamil Nadu (the "AC") of the order issued, on the grounds that the order has been passed without consideration of the submissions made. The Company does not foresee the demand materialising as the allegations made are merely on the manner of disclosures made by the Company in the Annual return filed for the said fiscal period. The matter is currently pending further adjudication.*

See "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Contingent Liabilities and Commitments**" on page 462.

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, cash flows, financial condition and results of operations. Moreover, our future contingent liabilities (if any) may crystallise and become actual liabilities. In the event that any of our future contingent liabilities become non-contingent, our business, financial condition, cash flows and results of operations may be adversely affected.

20. ***There have been certain instances of delays in payment of statutory dues in the past. Any delay in payment of statutory dues in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.***

Our Company is required to pay certain statutory dues including employee provident fund contributions and employee state insurance contributions under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948, respectively, GST, professional taxes and labour welfare fund. In compliance with the provisions of the Income-tax Act, we are also required to deduct taxes at source at prescribed rates. Set out below are the details of statutory dues paid for the periods indicated.

| Statutory Dues | Nine months ended December 31, | | Fiscal Year | | |
|--|--------------------------------|-------|---------------------|-------|------|
| | 2024 | 2023 | 2024 (₹ million) | 2023 | 2022 |
| Employee provident fund contribution | 210 | 175 | 240 | 187 | 84 |
| Employee state insurance contributions | N.A. | N.A. | N.A. | N.A. | N.A. |
| Professional taxes | 2 | 2 | 3 | 3 | 1 |
| Goods and service tax | 1,823 | 1,015 | 1,454 | 1,411 | 389 |
| Labour welfare fund | 0* | 0* | 0* | 0* | 0* |
| Tax deducted at source | 802 | 454 | 1,020 | 623 | 281 |

**Denotes less than ₹0.5 million.*

There have been certain instances of delays in payment of statutory dues in the past by our Company, which occur in the ordinary course of making such payments including due to administrative or logistical issues, clerical errors, technical difficulties. The details of such delays are set out below for the periods indicated.

| Statutory Dues | Nine months ended December 31, | | Fiscal Year | | |
|--|--------------------------------|------|---------------------|------|------|
| | 2024 | 2023 | 2024 (₹ million) | 2023 | 2022 |
| Employee provident fund contribution | 0* | 0* | 0* | 36 | 13 |
| Employee state insurance contributions | N.A. | N.A. | N.A. | N.A. | N.A. |
| Professional taxes | 0* | - | 0* | 0* | 0* |

| | | | | | |
|------------------------|----|----|----|----|----|
| Goods and service tax | 0* | - | - | 0* | 0* |
| Labour welfare fund | - | 0* | 0* | - | - |
| Tax deducted at source | - | - | - | 11 | 41 |

*Denotes less than ₹0.5 million.

As at the date of this Red Herring Prospectus, there are no outstanding delays in the payment of statutory dues. In order to ensure timely payment of statutory dues, our Company has a dedicated compliance management framework, which includes a compliance management tool deployed across our Company, which generates periodic compliance reports and certificates. Further, every department head is required to submit a monthly legal report to the Chief Executive Officer, along with mitigation plans with timelines for resolution in case there are any exceptions or deviations in compliance. However, we cannot assure you that there will not be any delays in the future. Any delay in payment of statutory dues in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.

21. Our competitiveness within the highly competitive Indian automotive market depends on our ability to design, develop, manufacture, market and deliver new and quality electric two-wheeler models and products and launch new associated services. There is no assurance that we will be able to successfully compete in the markets we currently operate in or those that we plan to expand into, compete with new or existing players, or maintain or grow our market share, which may affect our business, operations and financial condition.

We compete with both E2W manufacturers and traditional automotive companies in the highly competitive Indian automotive industry. We cannot assure you that we will be able to compete successfully within India, or in other jurisdictions that we expand into. Our existing and future competitors may have significantly greater experience and financial, technical, manufacturing, marketing and other resources than we do and may be able to devote greater resources to the design, development, manufacturing, marketing, sales and support of their vehicles.

According to the CRISIL Report, India's 2W industry is an oligopolistic market with the top four players contributing more than 80% of annual sales. In particular, the E2W segment has been highly concentrated with a few players primarily catering to the entire segment, according to the CRISIL Report. Over the years, with the entry of new players, EV launches from legacy ICE OEMs as well as the expansion in the EV portfolio of players, competition intensified within the EV space, according to the CRISIL Report. The following table sets forth the market share of our Company and other E2W players in the Indian market for the periods indicated, according to the CRISIL Report.

| | Nine months ended December 31, | | Fiscal Year | | |
|---|-----------------------------------|-------|-------------|-------|-------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Ather Energy Limited | 10.7% | 11.3% | 11.5% | 10.6% | 7.9% |
| Ola Electric Mobility Limited | 34.1% | 33.0% | 35.1% | 21.0% | 5.7% |
| TVS Motor Company Limited | 19.4% | 19.6% | 19.3% | 11.3% | 3.9% |
| Bajaj Auto Limited | 18.1% | 10.4% | 11.4% | 3.9% | 2.8% |
| Hero Motocorp Limited | 4.3% | 1.6% | 1.9% | 0.1% | 0.0% |
| Greaves Electric Mobility Limited (Ampere) | 3.3% | 7.2% | 5.7% | 12.0% | 10.1% |
| Okinawa Autotech Private Limited | 0.4% | 2.9% | 2.2% | 13.2% | 18.9% |
| Hero Electric Private Limited | 0.2% | 1.6% | 1.2% | 12.3% | 27.2% |
| Others | 9.5% | 12.4% | 11.7% | 15.6% | 23.5% |

Source: CRISIL Report

Note: E2W market share is based on retail volume for E2Ws, according to VAHAN

We may lose market share if we fail to fund, design, develop, manufacture, market and deliver new and quality E2W models with improved features to the market, adapt to new technologies and manage our costs. If our E2Ws fail to achieve market acceptance, we may not recover the capital investments made into the product. If our competitors introduce new vehicles or services that successfully compete with or surpass the quality or performance of our vehicles or services at more competitive prices, we may be unable to satisfy existing customers or attract new customers at the price levels that would allow us to generate attractive rates of return on our investment. Other factors that may adversely affect our competitiveness include our ability to control costs, quality of our products, incorporate new technologies, offer quality customer service through our retail partners and maintain effective and

efficient quality and safety controls, including within our manufacturing lines.

According to the CRISIL Report, certain of our key competitors outperformed us in terms of revenue, profit/loss and EBITDA as indicated below. The following table sets forth the relevant financial data of our key competitors. See also “*Basis for Offer Price – Key Performance Indicators (“KPIs”)*” on page 198.

| | Nine months ended December 31, | | Fiscal Year | | |
|--|-----------------------------------|----------|-------------|----------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| (₹ million, except as otherwise stated) [#] | | | | | |
| Ather Energy Limited:[^] | | | | | |
| Revenue from operations | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| Profit/(Loss) for the year/period | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| EBITDA | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |
| Ola Electric Mobility Limited:[*] | | | | | |
| Revenue from operations | 39,030 | 34,120 | 50,098 | 26,309 | 3,734 |
| Profit/(Loss) for the year/period | (14,060) | (11,680) | (15,844) | (14,721) | (7,842) |
| EBITDA | (7,430) | (7,950) | (10,341) | (11,007) | (7,176) |
| Bajaj Auto Limited:[*] | | | | | |
| Revenue from operations | 383,482 | 333,155 | 448,704 | 364,554 | 331,447 |
| Profit/(Loss) for the year/period | 55,229 | 56,968 | 77,082 | 60,602 | 61,659 |
| EBITDA | 82,767 | 77,370 | 104,652 | 81,673 | 71,136 |
| Hero Motocorp Limited:[*] | | | | | |
| Revenue from operations | 309,536 | 281,719 | 377,886 | 341,584 | 295,513 |
| Profit/(Loss) for the year/period | 32,071 | 27,987 | 37,422 | 27,999 | 23,291 |
| EBITDA | 50,428 | 45,876 | 60,839 | 46,659 | 38,007 |
| TVS Motor Company Limited:[*] | | | | | |
| Revenue from operations | 328,432 | 291,023 | 391,447 | 319,740 | 243,553 |
| Profit/(Loss) for the year/period | 16,823 | 13,670 | 17,785 | 13,095 | 7,309 |
| EBITDA | 48,524 | 41,737 | 56,058 | 41,647 | 27,900 |
| Eicher Motors Limited:[*] | | | | | |
| Revenue from operations | 136,292 | 122,797 | 165,358 | 144,422 | 102,978 |
| Profit/(Loss) for the year/period | 33,723 | 29,306 | 40,010 | 29,139 | 16,766 |
| EBITDA | 48,307 | 42,849 | 58,505 | 43,539 | 26,732 |

Source: CRISIL Report

Note:

[#] Figures have been rounded off.

[^] Among our key competitors, only Ola Electric Mobility Limited is a pure EV player, according to the CRISIL Report. Our other key competitors manufacture and sell both ICE and EV vehicles.

^{*} All the financial information for the competitor entities mentioned above is on a consolidated basis and is sourced from the annual reports/quarterly financials as available for Fiscal Years 2024, 2023 and 2022 (as applicable) submitted to Stock Exchanges. Ola Electric financials for the Fiscal Years 2024, 2023 and 2022 are sourced from Red Herring Prospectus and Draft Red Herring Prospectus filings submitted to SEBI. Unaudited consolidated financial information reported by companies dated December 31, 2024 and December 31, 2023 were used to calculate parameters in the nine months ended December 31, 2024 and December 31, 2023.

See “*Industry Overview – Competitive landscape of the 2W / E2W industry*” on page 233.

22. *Our products may not be sold at favourable margins and failure to manage our costs may adversely affect our margin, results of operations and ability to achieve profitability. We had Adjusted Gross Margin of 19% and 9% in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively.*

Our margins largely depend on our ability to source our raw materials from suppliers on commercially favourable terms and manage our supply chain, drive demand for our products through development of new products and features, and maintain premium pricing for our products. Any downward pricing pressures arising from increasing competition, could require us to lower our product prices, thereby reducing our margins. See “– *As we operate in the competitive Indian automobile market, we may face downward pricing pressures that may require us to reduce the price of our electric two-wheelers. A reduction in the price of our electric two-wheelers will reduce profitability, which will adversely affect our business, prospects and results of operations.*” on page 57 and “– *Our research and development efforts may not yield expected results and we may not recoup our investments, which could adversely affect our financial condition, results of operations and prospects.*” on page 72. Any reductions in government incentives or subsidies could also adversely affect our margins. See “– *The retail prices of our electric two-wheelers are susceptible to a reduction or elimination of government incentives or the*

ineligibility of our electric two-wheelers for such incentives, such as the Production-linked Incentives Scheme which we are not eligible for. The increase in retail price could affect customer demand and in turn, adversely impact our business and prospects.” on page 62.

The following table sets forth our margins for the periods indicated. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*” on page 455 for a reconciliation of the below measures.

| Particulars | Nine months ended December 31, | | Fiscal Year | | |
|---|-----------------------------------|---------|-------------|---------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Adjusted Gross Margin (₹ million) ⁽¹⁾ | 3,045 | 1,098 | 1,573 | 2,064 | 300 |
| Adjusted Gross Margin (%) ⁽²⁾ | 19% | 9% | 9% | 11% | 7% |
| EBITDA (₹ million) ⁽³⁾ | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |
| EBITDA Margin (%) ⁽⁴⁾ | (23%) | (34%) | (36%) | (38%) | (62%) |
| Loss for the year/period (₹ million) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Profit / (Loss) For The Year/Period Margin (%) ⁽⁵⁾ | (36%) | (62%) | (59%) | (48%) | (83%) |

Notes:

(1) Adjusted Gross Margin: total income less cost of material consumed, purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress.

(2) Adjusted Gross Margin (%): Adjusted Gross Margin divided by total income*100.

(3) EBITDA: loss before exceptional items and tax reduced by finance costs and depreciation and amortisation expenses.

(4) EBITDA Margin: EBITDA divided by total income*100.

(5) Profit / (Loss) For The Year/Period Margin (%): Profit / (Loss) for the year/period divided by total income*100

The following table sets forth our cost of goods sold in absolute amount and as a percentage of expenses for the periods indicated. See also “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Summary Results of Operations*” on page 448.

| | Nine months ended December 31, | | Fiscal Year | | |
|--|---|---------------|---------------|---------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (₹ million, unless otherwise indicated) | | | | |
| Cost of Goods Sold ⁽¹⁾ | 13,129 | 11,439 | 16,318 | 15,954 | 3,838 |
| Cost of Goods Sold as a percentage of total expenses (%) | 60% | 62% | 61% | 60% | 51% |
| Total expenses | 21,953 | 18,555 | 26,742 | 26,663 | 7,579 |

Note:

(1) Cost of Goods Sold is the sum of Cost of materials consumed, Purchase of stock-in-trade and Change in inventories of finished goods, stock-in-trade and work-in-progress. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures – Reconciliation for Cost of Goods Sold and Working Capital Days*” on page 458.

Our costs, including cost of raw materials, EV components and freight charges, could be impacted by various external factors, such as currency fluctuations and other unfavourable economic conditions, geopolitics, tariffs, force majeure and other economic or political conditions, which could lower our margins. See “- *If our suppliers fail to deliver components used in our electric two-wheelers in accordance with agreed volumes and schedules or increase their prices, we may face delays in our manufacturing and delivery timelines or be required to increase the retail price of our electric two-wheelers.*” on page 64.

23. We may not be able to sustain historical customer growth rates, which could adversely affect our results of operations, financial condition, profitability and prospects.

While our customer base grew over the past three Fiscal Years and in the nine months ended December 31, 2024 and December 31, 2023, we cannot guarantee that such a trend will continue in the future. The table below summarises the growth in our customer base for the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|-----------------------|-----------------------------------|------|-------------|------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Customers (thousands) | 105 | 79 | 114 | 85 | 23 |
| Growth (%) | 33% | 61% | 34% | 270% | 360% |

24. *Our electric two-wheelers, software, charging infrastructure, accessories or the components used in the manufacture of our electric two-wheelers may be defective or have quality issues, and may fail to meet industry standards or advertised performance levels.*

Other than portable chargers and motors which are designed and manufactured by our suppliers, other key E2W components, such as battery packs, motor controllers, transmissions, vehicle control units, dashboards, DC-DC converters, harnesses, and chassis are designed in-house and outsourced to suppliers for manufacturing (other than battery packs which are manufactured in-house). We developed all components of the Atherstack software that powers our products in-house. Any design or manufacturing defects found in our E2Ws, charging infrastructure or accessories, whether relating to our software or hardware, or product failures that cause them not to perform as designed or as advertised or that require repair, increases the likelihood of motor vehicle accidents, fires, explosions or other incidents. The over-the-air (“OTA”) software updates to the Atherstack that we roll out may not perform as expected.

We cannot guarantee that the components sourced from suppliers will be free from defects or quality issues. While we provide our suppliers with the design and/or performance specifications for our E2W components and in some instances, necessary tools to manufacture our components, we cannot guarantee that the quality of the components manufactured by them will be consistent with our specifications and will be consistent across multiple suppliers. We also cannot guarantee our suppliers’ compliance with applicable government motor vehicle safety standards with respect to the supplied E2W components, ethical business practices, such as environmental responsibilities, industry standards on sustainability, fair wage practices and compliance with child labour laws, among others. To our knowledge, suppliers of our electronic components comply with applicable Indian standards for manufacturing and have not faced any material issues with respect to their business operations in the nine months ended December 31, 2024 and Fiscal Years 2024, 2023 and 2022. While our suppliers, including suppliers of lithium-ion cells and electronic components, provide product warranties (15 to 24-month warranties for lithium-ion cells and 12-month warranties for electronic components) covering design and manufacturing-related defects, we may not be able to recover all the losses incurred from them.

Further, any defects or quality issues with these E2W components or any incidents of non-compliance by these suppliers could result in quality issues with our E2Ws, interruptions or delays in the supply of components and consequently adversely impact our brand image and results of operations. Our suppliers provide us with an indemnity for quality issues in their parts as defined in the general purchase agreements and we may seek indemnification from them for costs arising from such issues. However, there is no assurance that such indemnities will fully cover all our costs. While we have been able to address customer complaints arising in connection with defects or quality issues with the E2W components, there is no assurance that we will be able to adequately address such issues in the future.

25. *If our electric two-wheelers do not meet the promised level of performance and quality, we may be required to undertake product recalls or other corrective actions.*

If any of our E2Ws, their components or accessories prove to be defective or non-compliant with applicable government motor vehicle safety standards due to human error or otherwise, we or our suppliers may be compelled to initiate product recalls. While we have not undertaken any product recalls under the Motor Vehicles Act, 1988, and have not had any other material instances of product recalls in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there is no guarantee that we will not be required to or opt to recall our E2Ws or accessories in the future. Such inspections, recalls, repairs and replacements involve significant expenses, the possibility of lawsuits, and diversion of management’s attention and other resources. Any of the foregoing could harm our reputation and lead to loss of revenue, delivery delays, customer complaints, breach of warranty and related consumer protection claims and significant warranty and lawsuits, and in turn, materially and adversely affect our business, financial condition, results of operations and prospects.

26. *We currently derive our revenue predominantly from the sale of limited electric two-wheeler models. If our electric two-wheelers are not well-received by the market, our business and future prospects could be adversely impacted.*

We mainly derive our revenue from the sale of E2Ws, with our E2W portfolio comprising variants of the Ather 450 series and the Ather Rizta series.

The following table provides details of our current portfolio of E2Ws as at December 31, 2024.

| E2W Model | Month and year of commencement of delivery | Segment | Price (₹) as at December 31, 2024 (exclusive of tax) ⁽¹⁾ |
|-------------------------|--|---------------------|---|
| Ather 450S | August 2023 | Performance scooter | 117,489 |
| Ather 450X (2.9 kWh) | August 2023 | Performance scooter | 142,647 |
| Ather 450X (3.7 kWh) | September 2023 | Performance scooter | 157,046 |
| Ather 450 Apex | February 2024 | Performance scooter | 194,946 |
| Ather Rizta Z (2.9 kWh) | May 2024 | Convenience scooter | 128,546 |
| Ather Rizta Z (3.7 kWh) | July 2024 | Convenience scooter | 148,547 |
| Ather Rizta S | August 2024 | Convenience scooter | 112,046 |

Note:

(1) Prices shown are ex-showroom prices in New Delhi, India, net of subsidies and discounts.

In the nine months ended December 31, 2024 and in Fiscal Year 2024, our revenue from the sale of E2Ws was primarily dependent on the sale of the Ather Rizta Z (3.7 kWh) and Ather 450X (3.7 kWh). There is no assurance that our future revenue will be more evenly distributed across our E2W offerings. The following table provides a breakdown of the revenue contribution of each of our E2W variants in absolute amounts and as a percentage of revenue from operations in the periods indicated.

| E2W Model | Nine months ended December 31, | | Fiscal Year | | |
|---|--------------------------------|---------------|---------------|---------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| (₹ million, unless otherwise indicated) | | | | | |
| Ather 450S ⁽¹⁾ | 1,741 | 1035 | 2,777 | - | - |
| % of revenue from operations | 11% | 8% | 16% | - | - |
| Ather 450X ⁽²⁾ | 0* | 5,943 | 5,905 | 14,327 | 3,703 |
| % of revenue from operations | 0%# | 49% | 34% | 80% | 91% |
| Ather 450X (2.9 kWh) ⁽³⁾ | 1,102 | 1,238 | 1,578 | - | - |
| % of revenue from operations | 7% | 10% | 9% | - | - |
| Ather 450X (3.7 kWh) ⁽⁴⁾ | 3,740 | 2,799 | 5,355 | - | - |
| % of revenue from operations | 24% | 23% | 31% | - | - |
| Ather 450 Apex ⁽⁵⁾ | 345 | - | 91 | - | - |
| % of revenue from operations | 2% | - | 1% | - | - |
| Ather Rizta Z (2.9 kWh) ⁽⁶⁾ | 2,592 | - | - | - | - |
| % of revenue from operations | 16% | - | - | - | - |
| Ather Rizta Z (3.7 kWh) ⁽⁷⁾ | 2,695 | - | - | - | - |
| % of revenue from operations | 17% | - | - | - | - |
| Ather Rizta S ⁽⁸⁾ | 1,715 | - | - | - | - |
| % of revenue from operations | 11% | - | - | - | - |
| Total | 13,930 | 11,015 | 15,706 | 14,327 | 3,703 |
| % of revenue from operations | 88% | 90% | 90% | 80% | 91% |

*Denotes less than ₹0.5 million.

#Denotes less than 0.5%.

Notes:

(1) We recognised revenue from sales of Ather 450S starting in August 2023.

(2) The Ather 450X with 2.9 kWh battery capacity was launched in January 2020 and was succeeded by the Ather 450X (Gen 3) with 3.7 kWh battery capacity launched in July 2022. Following that, the Ather 450X (Gen 3.1) was launched in January 2023. The Ather 450X (Gen 3.1) was succeeded by the Ather 450X (2.9 kWh) and Ather 450X (3.7 kWh) variants, launched in August 2023.

(3) We recognised revenue from the Ather 450X (2.9 kWh) starting in August 2023.

(4) We recognised revenue from the Ather 450X (3.7 kWh) starting in September 2023.

(5) We recognised revenue from sales of Ather 450 Apex starting in February 2024.

(6) We recognised revenue from sales of Ather Rizta Z (2.9 kWh) starting in May 2024.

(7) We recognised revenue from sales of Ather Rizta Z (3.7 kWh) starting in July 2024.

(8) We recognised revenue from sales of Ather Rizta S starting in August 2024.

The following table provides a breakdown of our sales volume by E2W models for the periods indicated.

| E2W Model | Nine months ended December 31, | | Fiscal Year | | |
|-------------------------------------|--------------------------------|--------|-------------|--------|--------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| (Units) | | | | | |
| Ather 450S ⁽¹⁾ | 15,195 | 7,824 | 22,712 | - | - |
| Ather 450X ⁽²⁾ | 1 | 39,028 | 39,067 | 92,093 | 23,402 |
| Ather 450X (2.9 kWh) ⁽³⁾ | 8,286 | 8,697 | 11,249 | - | - |

| | | | | | |
|--|----------------|---------------|----------------|---------------|---------------|
| Ather 450X (3.7 kWh) ⁽⁴⁾ | 25,835 | 18,784 | 35,999 | - | - |
| Ather 450 Apex ⁽⁵⁾ | 2,015 | - | 550 | - | - |
| Ather Rizta Z (2.9 kWh) ⁽⁶⁾ | 21,388 | - | - | - | - |
| Ather Rizta Z (3.7 kWh) ⁽⁷⁾ | 19,341 | - | - | - | - |
| Ather Rizta S ⁽⁸⁾ | 15,922 | - | - | - | - |
| Total | 107,983 | 74,333 | 109,557 | 92,093 | 23,402 |

Notes:

- (1) We recognised revenue from sales of Ather 450S starting in August 2023.
- (2) The Ather 450X with 2.9 kWh battery capacity was launched in January 2020 and was succeeded by the Ather 450X (Gen 3) with 3.7 kWh battery capacity launched in July 2022. Following that, the Ather 450X (Gen 3.1) was launched in January 2023. The Ather 450X (Gen 3.1) was succeeded by the Ather 450X (2.9 kWh) and Ather 450x (3.7 kWh) variants, launched in August 2023.
- (3) We recognised revenue from the Ather 450X (2.9 kWh) starting in August 2023.
- (4) We recognised revenue from the Ather 450X (3.7 kWh) starting in September 2023.
- (5) We recognised revenue from sales of Ather 450 Apex starting in February 2024.
- (6) We recognised revenue from sales of the Ather Rizta Z (2.9 kWh) starting in May 2024.
- (7) We recognised revenue from sales of the Ather Rizta Z (3.7 kWh) starting in July 2024.
- (8) We recognised revenue from sales of the Ather Rizta S starting in August 2024.

See “**Our Business – Overview – Our Product Ecosystem – Our E2Ws**” on page 281.

Customers who book our E2Ws may cancel their bookings for reasons beyond our control, including changes in their preferences, their perception of EVs in general, changes in the subsidies available or the quality of our E2Ws or their financial situation. Customers who cancel their bookings are able to receive a full refund of their booking amount, which ranges from ₹999 to ₹2,500 per vehicle. Further, our E2Ws encompass high range and low range models, with corresponding profit margins. A growth in the demand of our lower range E2Ws may not result in a significantly positive change to our results of operations.

27. Revenue from software sales was ₹897 million and ₹1,074 million in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. A reduction in software sales, including sales attributable to repurchases by existing customers who previously purchased our software, may adversely impact our results of operations, prospects and cash flows.

We offer customers who purchase our E2Ws an option to purchase advanced Atherstack software features through the Pro Pack bundle, which unlocks Ride Assist features, such as traction control, AutoHold, and theft and tow alerts, and provides three-year access to Ather Connect features, such as live location sharing and access to OTA software updates. At the end of the three years, customers have the option to pay an annual subscription charge to access or continue to access Ather Connect features. There is no assurance that customers will opt to purchase the Pro Pack bundle or subscribe for the software. Customers who previously purchased the Pro Pack bundle may opt not to repurchase the software at the end of the three years, whether due to changing customer preferences or other factors beyond our control. If we fail to continue introducing new features on our Atherstack software or enhancing existing features to address the needs of our customers, we may experience a decline in revenue from software sales.

We recognize revenue from software sales as revenue from operations. The following table provides an overview of the revenue from software sales in absolute amounts and as a percentage of revenue from operations for the periods indicated. See “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Principal Components of Statement of Profit and Loss – Income – Revenue from Operations**” on page 437.

| | Nine months ended December 31, | | Fiscal Year | | |
|--------------------------------|---|------|-------------|-------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (₹ million, except as stated otherwise) | | | | |
| Revenue from software sales | 897 | 771 | 1,074 | 1,321 | 264 |
| Revenue from software sales as | 6% | 6% | 6% | 7% | 6% |
| % of revenue from operations | | | | | |

28. The retail prices of our electric two-wheelers are susceptible to a reduction or elimination of government incentives or the ineligibility of our electric two-wheelers for such incentives, such as the

Production-linked Incentives Scheme which we are not eligible for. The increase in retail price could affect customer demand and in turn, adversely impact our business and prospects.

We benefit from various government incentives. We previously benefited from the FAME subsidy, which was introduced by the then Department of Heavy Industry in 2015 and expired on March 31, 2024. The FAME subsidy was superseded by the Electric Mobility Promotion Scheme 2024 (“**EMPS 2024**”) effective from April 1, 2024. The EMPS 2024 subsidy was originally a limited funding scheme of ₹5 billion that was due to expire on July 31, 2024. On July 26, 2024, the Ministry of Heavy Industries announced an extension of the EMPS 2024 subsidy up to September 30, 2024 with an increased funding amount of ₹7.78 billion. We had obtained EMPS 2024 subsidies for Ather 450S, Ather 450X and Ather Rizta (S and Z), of ₹10,000 per E2W, eligible for reimbursement for claims made on a monthly basis. The Ather 450 Apex did not benefit from the EMPS 2024 subsidy. The EMPS 2024 expired on September 30, 2024 and was succeeded by the PM Electric Drive Revolution in Innovative Vehicle Enhancement (“**PM E-DRIVE**”) scheme, which came into effect on October 1, 2024, and will remain in force until March 31, 2026. We have obtained a certificate for compliance with the incentive eligibility criteria under the PM E-DRIVE Scheme, from the Automotive Research Association of India (Research Institution of the Automotive Industry with the Ministry of Heavy Industries, GoI), for the purposes of claiming incentives for our Ather 450S, Ather 450X, Ather Rizta (S and Z) until April 30, 2025. We are not eligible for the Production-linked Incentive Scheme. The following table sets forth the amount of FAME, EMPS and PM E-DRIVE subsidies received from the central government in the periods indicated.

| | <i>Nine months ended December 31,</i> | | <i>Fiscal Year</i> | | |
|--|--|-------------|--------------------|-------------|-------------|
| | <i>2024</i> | <i>2023</i> | <i>2024</i> | <i>2023</i> | <i>2022</i> |
| | <i>(₹ million, except as stated otherwise)</i> | | | | |
| FAME subsidies | - | 2,047 | 2,734 | 5,028 | 993 |
| EMPS subsidies | 524 | - | - | - | - |
| PM E-Drive subsidies | 517 | - | - | - | - |
| Total subsidies | 1,041 | 2,047 | 2,734 | 5,028 | 993 |
| Total subsidies as a percentage of revenue from operations (%) | 7% | 17% | 16% | 28% | 24% |

Reduction, elimination or ineligibility for government incentives, or any reduction, elimination, non-receipt or delays in receiving such incentives, could reduce the demand for E2Ws and potentially result in us becoming less price competitive compared to conventional ICE 2Ws. For instance, the benefits offered through the PM E-DRIVE Scheme may be reduced or we may be rendered ineligible for such scheme or other new schemes. Further, the eligible EV category under the PM E-DRIVE Scheme extends beyond E2Ws and covers electric three-wheelers as well which impacts the aggregate disburseable outlay under such schemes in respect of E2Ws. Whilst we are not compelled to do so, such policy changes may require us to pass on the additional expenses to our consumers, thereby increasing the retail price of our E2Ws. For example, the Government of India has in the past recalled and scaled back, and may in the future recall or scale back, the benefits available to EV manufacturers under its schemes, increasing the costs borne by EV manufacturers. For example, pursuant to a notification dated May 19, 2023 from the Ministry of Heavy Industries, Government of India, the cap on incentives for the FAME scheme was scaled back from ₹15,000 per kWh to ₹10,000 per kWh, with effect from June 1, 2023. As a result of the reduced subsidy, our customers faced an increase in the retail price of our E2Ws ranging from ₹20,434 to ₹30,285. This contributed to a slight decrease in our revenue from operations from ₹17,809 million in Fiscal Year 2023 to ₹17,538 million in Fiscal Year 2024. For further details, see “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Summary Results of Operations - Fiscal Year 2024 compared to Fiscal Year 2023 – Revenue from operations**” on page 450.

While we may be eligible for future schemes from the Indian or foreign governments, there is no assurance that we will be successful in such applications and nor can we guarantee that the funds allocated under such schemes will be available to us in a timely manner.

Availability of government subsidies may be critical to accelerating the adoption of E2Ws. In the absence of such support, we cannot assure you that consumers will continue to purchase E2Ws at the same pace in light of competition from conventional ICE 2W that are manufactured by long-standing industry players whose cost structures may be lower than ours on a non-subsidised basis.

29. *If our electric two-wheelers become ineligible for the PM Electric Drive Revolution in Innovative Vehicle Enhancement scheme, or such incentives are reduced or eliminated, the retail price of our electric two-wheelers could increase and demand for our products may decline.*

The PM E-DRIVE Scheme came into effect on October 1, 2024 and is valid till March 31, 2026. The PM E-DRIVE Scheme has been implemented with a total fund support of ₹17,720 million for a maximum of 2,479,120 E2Ws. We have obtained a certificate for compliance with the incentive eligibility criteria under the PM E-DRIVE Scheme, from the Automotive Research Association of India (Research Institution of the Automotive Industry with the Ministry of Heavy Industries, GoI), for the purposes of claiming incentives for our Ather 450S, Ather 450X, Ather Rizta (S and Z) until April 30, 2025. There is no guarantee that this scheme will be further extended or be replaced with another scheme, or that we will continue to be eligible under such scheme.

Under the PM E-DRIVE Scheme, we and our retail partners submit subsidy claims for E2Ws sold that meet the government’s performance and efficiency eligibility criteria and we receive the subsidies directly from the government. There is no assurance that we or our retail partners will submit these claims in a timely manner or with the accurate documents, and such occurrences could result in delays in subsidy payouts or claims being withheld until issues are resolved. The applicable subsidy is priced into the retail price of our E2Ws. For further details on the PM E-DRIVE Scheme, refer to “**Key Regulations and Policies in India – Government Plans and Policies**” on page 319. Further, the PM E-DRIVE Scheme may require us and our retail partners to incur additional compliance costs, including in relation to additional eligibility criteria for our customers and other procedural requirements. New laws, regulatory changes and interpretations of such requirements, including requirements relating to the extent of localisation required in the supply chain may prevent us from being eligible for such subsidies and benefits.

If we fail to meet the requirements of the PM E-DRIVE Scheme, our vehicles will no longer be eligible for the PM E-DRIVE incentive of ₹5,000 per kWh for E2Ws registered in Fiscal Year 2025 and ₹2,500 per kWh for E2Ws registered in Fiscal Year 2026. If our vehicles become ineligible for the PM E-DRIVE Scheme, we may become less competitive due to higher product pricing and increased expenditures (absent subsidies), potentially impacting our business and financial performance. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy related to the PM E-DRIVE Scheme may adversely affect our results of operations and ability to achieve profitability.

30. *If our suppliers fail to deliver components used in our electric two-wheelers in accordance with agreed volumes and schedules or increase their prices, we may face delays in our manufacturing and delivery timelines or be required to increase the retail price of our electric two-wheelers.*

Our E2Ws contain components purchased from various domestic and foreign third-party suppliers, which expose us to the risk of component shortages. The table below shows the total cost of materials consumed for our E2Ws as a percentage of our expenses for the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|--|---|---------------|---------------|---------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (₹ million, unless otherwise indicated) | | | | |
| Cost of materials consumed | 13,069 | 11,323 | 15,792 | 15,370 | 3,482 |
| Cost of materials consumed as a percentage of total expenses (%) | 60% | 61% | 59% | 58% | 46% |
| Total expenses | 21,953 | 18,555 | 26,742 | 26,663 | 7,579 |

See “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Principal Components of Statement of Profit and Loss – Expenses – Cost of materials consumed**” on page 438.

The table below provides a breakdown of key E2W components for the Ather 450X (2.9 kWh) and Ather 450X (3.7 kWh) variants as a percentage of bill of materials (“**BOM**”) for these respective variants as at the dates indicated.

| E2W Component | As at December 31, | As at March 31, | | |
|-------------------------------------|--------------------|-----------------|----------|-------------|
| | 2024 | 2024 | 2023 | 2022 |
| Ather 450X (2.9 kWh) ⁽¹⁾ | | | | |
| Mechanical | 37% | 35% | - | 34% |
| Battery pack | 29% | 31% | - | 29% |
| Electronics | 34% | 34% | - | 37% |
| Total | 100% | 100% | - | 100% |

Note:

(1) We first delivered the Ather 450X (which had a battery capacity of 2.9 kWh) in Fiscal Year 2021, which was succeeded by the Ather 450X (Gen 3) (3.7 kWh) in Fiscal Year 2023, before relaunching the Ather 450X (2.9 kWh) in Fiscal Year 2024.

| E2W Component | As at December 31, | As at March 31, | | |
|-------------------------------------|--------------------|-----------------|-------------|----------|
| | 2024 | 2024 | 2023 | 2022 |
| Ather 450X (3.7 kWh) ⁽¹⁾ | | | | |
| Mechanical | 35% | 32% | 28% | - |
| Battery pack | 32% | 33% | 40% | - |
| Electronics | 33% | 35% | 32% | - |
| Total | 100% | 100% | 100% | - |

Note:

(1) We launched the Ather 450X (Gen 3) (3.7 kWh) in Fiscal Year 2023, which was succeeded by the Ather 450X (3.7 kWh) in Fiscal Year 2024.

We domestically sourced 75%, 70%, 72%, 70% and 80% of our cost of materials consumed in the nine months ended December 31, 2024 and December 31, 2023 and in Fiscal Years 2024, 2023 and 2022, respectively. In such periods, we imported seven components (comprising five battery components, one electronic component and one mechanical component) from China, Hong Kong SAR, Singapore and South Korea for E2W manufacturing. Our top 10 suppliers who collectively supplied 72% of our total purchases (i.e. sum of the purchase of raw materials and components consumed, and purchase of stock-in-trade) in the nine months ended December 31, 2024 and in Fiscal Years 2022, 2023 and 2024, were Bharat FIH Limited, Zhengzhou BAK Battery Co Ltd, LG Energy Solutions Ltd, Mahle Electric Drives India Private Limited, Rockman Industries Limited, IPEC India Private Limited, Brembo Brake India Private Limited, Gates Unitta India Company Private Limited, Gabriel India Limited and INDIC EMS Electronics Private Limited.

The following table indicates the materials sourced from our top 1, top 5 and top 10 suppliers in Fiscal Year 2024, and the respective contributions to our total purchase (i.e. sum of the purchase of raw materials and components consumed, and purchase of stock-in-trade) in Fiscal Year 2024.

| Particulars | Percentage of Total Purchases in Fiscal Year 2024 | Materials Procured in Fiscal Year 2024 |
|-------------|---|---|
| Top 1 | 23% | Lithium-ion cells |
| Top 5 | 59% | Lithium-ion cells, electronics, frames, motors and chargers |
| Top 10 | 73% | Lithium-ion cells, electronics, frames, motors, chargers, brakes assembly, automotive belts and peripherals |

While the majority of our components by BOM value are sourced from more than one supplier, the number of suppliers of electronic components, lithium-ion cells, seat locks and side stand sensors are more limited. Unexpected changes in business conditions, quality of the components, poor business ethics, materials pricing, including inflation of raw material costs and currency fluctuations, labour issues, wars, trade policies, natural disasters, health epidemics and pandemics, trade and shipping disruptions, port congestions, cyberattacks and other factors beyond our or our suppliers' control could affect these suppliers' ability to provide an adequate and steady supply of components to us or their pricing.

The unavailability of any component or inability of suppliers to supply such components to a satisfactory quality could result in production delays or line stoppages, and consequently delivery delays, as well as idle manufacturing facilities, longer servicing times and product design changes. It could also impact our capacity expansion and our ability to fulfil other obligations under customer contracts. For example, a global shortage of semiconductors between Fiscal Years 2021 and 2023 impacted our supply chain and

production. Our suppliers may discontinue the supply of certain components for a variety of reasons including, as a result of their corporate strategy re-alignment or insolvency.

While we have not faced any material difficulties in retaining our suppliers or finding alternative suppliers or experienced any material supply shortages in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, other than the aforementioned semiconductor shortage, we cannot assure you that we will be able to continue retaining our suppliers on commercially favourable terms or to find alternative suppliers or maintain a steady supply of components. Such occurrences could result in increased production costs, which could result in an increase in the retail price of our E2Ws and adversely affect sales of our E2Ws.

31. *If our retail partners or authorised distributors operating the ‘Ather’ branded experience centres and service centres fail to provide satisfactory customer service, or we fail to retain or attract retail partners, our business, prospects, financial condition, results of operations and cash flows could be adversely affected.*

Our distribution network comprises experience centres and service centres, which are operated by third-party retail partners and an authorised distributor. As of December 31, 2024, we had 154 retail partners operating all our experience centres and service centres in India other than three experience centres and two service centres which were Company-owned and Company-operated (“COCO”), one authorised distributor operating our experience centres in Nepal and one authorised distributor operating our experience centres in Sri Lanka. The following table provides a breakdown of our retail partners and authorised distributors in India, Nepal and Sri Lanka as at the dates indicated.

| | As at December 31, 2024 | 2024 | As at March 31, 2023 | 2022 |
|------------------------------------|----------------------------|------------|-------------------------|-----------|
| India (Retail Partners) | 154 | 129 | 68 | 24 |
| Nepal (Authorised Distributor) | 1 | 1 | - | - |
| Sri Lanka (Authorised Distributor) | 1 | - | - | - |
| Total | 156 | 130 | 68 | 24 |

For further details, please see “***Our Business – Business Description – Our Distribution and Servicing Network***” on page 266.

While we are not aware of any material issues in the nine months ended December 31, 2024 and in the past three Fiscal Years, any misconduct, negligence or failure on the part of our retail partners and authorised distributors to follow protocols or any deficiency in the quality of the customer service that they provide could adversely affect our business, reputation, results of operations and financial condition. There can be no assurance that we will be able to maintain acceptable arrangements with our partners.

Although our third-party service providers may have experience in servicing ICE vehicles or other EVs, they may have limited experience in servicing our E2Ws. Servicing E2Ws is different from servicing ICE vehicles and requires certain specialised skills. For instance, safety precautions in handling batteries and high voltage electricals and awareness of vehicle software integration are required in servicing E2Ws. If our retail partners and authorised distributors fail to provide satisfactory service, we may suffer adverse implications to our reputation and may be subject to lawsuits. Our retail partners and authorised distributors may also have insufficient resources or inventory to meet our customers’ service requirements in a timely manner, particularly as our product portfolio and the volume of Ather E2Ws sold increases. Similarly, while some of our third-party dealers have experience selling ICE vehicles at scale, they may have more limited experience selling E2Ws.

We may also face difficulties in retaining our retail partners and authorised distributors, or recruiting new retail partners or authorised distributors. This can be due to various factors, including profitability concerns or more competitive terms of arrangement being offered by our competitors. In cases where a retail partner or authorised distributor notifies us of their intention to close their experience centre or service centre, we may opt to either allow it to close or in some cases acquire such a centre and operate it ourselves in the interim until a new retail partner or authorised distributor can be recruited. Operating such experience or service centres in the interim will give rise to additional expenses for our Company. The closing of key experience and service centres, particularly in cities with a limited number of experience and service centres, may cause us to lose customers within such cities and adversely affect the quality of services to existing customers. While our retail partners’ closures in the past have not had

a material impact on our business, there is no assurance that this will continue to be the case in the future. For example, a retail partner in Mumbai resigned, and to maintain the continuity of our business in this location, we opened a COCO experience centre and service centre at the same location in April 2024. Further, in the nine months ended December 31, 2024 and in Fiscal Year 2024, 7% and 11% of our revenue from operations was attributable to one retail partner, respectively. As a result, the retirement of the aforementioned retail partner may have an adverse impact on our business and financial condition if we are unable to find an appropriate substitute in a timely manner or at all.

As we continue to grow, additional pressure may be placed on our customer support team or retail partners and authorised distributors, and we may be unable to quickly adapt to the increase in customer demand for technical support. This can negatively impact customer experience and satisfaction. If we are unable to address the service requirements of our customers, our business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected.

32. *We currently depend on our Hosur Factory for the assembly and manufacturing of our electric two-wheelers and battery packs, and any disruptions to the operations of our Hosur Factory could materially adversely affect our business, financial condition and results of operations.*

We assemble our E2Ws and manufacture battery packs at our two manufacturing facilities near Hosur, Tamil Nadu (the “**Hosur Factory**”), which include assembly and testing of E2Ws, battery packs and electronic box builds as well as manufacturing spares for sale.

The table below sets out the total E2Ws assembled and batteries manufactured at our Hosur Factory for the periods indicated.

| Units Produced | Nine months ended December 31, | | Fiscal Year | | |
|----------------|-----------------------------------|--------|-------------|--------|--------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| E2W | 111,207 | 72,967 | 108,344 | 93,948 | 22,644 |
| Battery packs | 117,765 | 75,761 | 109,359 | 96,253 | 23,100 |

See “**Our Business – Business Description – Our Operations Ecosystem – Our Manufacturing Facilities**” on page 265.

Risks affecting the operation of our Hosur Factory may include political and regional strife, labour shortages, severe weather and natural disasters such as earthquakes, hurricanes, fires, epidemics, pandemics, floods and lengthy power outages. Further, we could face shortages or disruptions in supply of electricity and water locally, which may cause delays and disrupt the expansion of our production capacity. We may encounter quality, process or other issues when increasing the number of assembly lines to increase our production capacity. Any disruptions to our manufacturing facilities could cause delivery delays and adversely affect our business, financial condition and results of operations. While we have not experienced any material disruptions at our manufacturing facilities in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, we cannot guarantee that such disruptions will not occur in the future.

33. *Our business and prospects depend significantly on our ability to build our ‘Ather’ brand. We may not succeed in continuing to develop and strengthen the ‘Ather’ brand, and our reputation, brand and sales could be harmed by complaints and negative publicity regarding our Company or products.*

Our business and prospects depend on our ability to develop and strengthen the ‘Ather’ brand which depends significantly on the success of our marketing efforts and our ability to provide high quality E2Ws, an integrated ecosystem with useful software and hardware features and a high quality customer experience.

Our ability to develop and strengthen our brand will depend on the success of our traditional branding and marketing efforts, as well as non-traditional initiatives such as the building of online forums, our ‘Community Day’ event and other offline events. Further, we intend to utilise ₹3,000 million of the Net Proceeds to fund our advertising and marketing efforts. For further details, see “**Objects of the Offer – Expenditure towards marketing initiatives**” on page 190. These initiatives may not achieve the desired results. The following table sets out our advertisement and marketing expenses for the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|---|---|------|-------------|-------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (₹ million, unless otherwise indicated) | | | | |
| Advertisement and marketing expense* | 1,170 | 715 | 1,071 | 2,259 | 539 |
| Advertisement and marketing expenses as a percentage of revenue from operations | 7% | 6% | 6% | 13% | 13% |

*Inclusive of ₹164 million, ₹124 million, ₹164 million, ₹221 million and ₹84 million as taxes in the nine months ended December 31, 2024, the nine months ended December 31, 2023 and in Fiscal Years 2024, 2023 and 2022 respectively.

For further details of our marketing initiatives, see “**Our Business – Marketing**” on page 307.

Our current and potential competitors in India and internationally may have greater marketing resources than us. If we fail to develop and strengthen our brand, our business, prospects, financial condition and operating results will be materially and adversely impacted.

Furthermore, our reputation and brand are vulnerable to many threats that can be difficult or impossible to predict or control, and costly or unfeasible to remediate. Since we are a consumer-facing brand, and particularly given the popularity of social media, any negative publicity about us, such as complaints by our customers or reviews that compare us unfavourably to competitors, alleged misconduct, unethical business practices, safety breaches, or other improper activities, or rumours, whether deliberate or otherwise, that relate to our business, directors, officers, employees, or shareholders, can harm our reputation, business, and results of operations.

While we have not received any such complaints in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, we cannot assure that these will not arise in the future. These allegations, even if unproven, may lead to inquiries, investigations, or other legal actions against us by regulatory or government authorities as well as private parties and could cause us to incur significant costs to defend ourselves. Any negative market perception or publicity regarding our suppliers, Promoters or other business partners that we closely cooperate with, or any regulatory inquiries or investigations and lawsuits initiated against them, may also have an impact on our brand and reputation, or subject us to regulatory inquiries or investigations or lawsuits. Further, perceived or actual concerns on battery deterioration that are often associated with EVs could also negatively impact customer confidence in EVs. Any negative publicity about the general auto industry, especially the EV industry, could also indirectly affect customer perception of our products and brand. If we are unable to maintain a good reputation or further enhance our brand recognition, our ability to attract and retain a critical mass of customers, third-party partners, and key employees could be harmed and, as a result, our business, financial position, and results of operations could be materially and adversely affected.

34. An excess or shortage in our inventory of electric two-wheelers and components could result in additional costs or production delays and limit our ability to leverage economies of scale.

Any excess or shortage in our inventory of E2Ws or their components due to failure to accurately estimate demand for our products, or any misallocation of production capacity, could increase operating costs or result in delayed production and longer waiting times, and in turn, cause us to lose customers. The table below sets out our inventories as at the dates indicated.

| | As of December 31, | | As of March 31, | | |
|-------------|--------------------|-------|-----------------|-------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (₹ million) | | | | |
| Inventories | 2,227 | 1,737 | 1,167 | 2,574 | 607 |

See “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Selected Restated Statement of Assets and Liabilities**” on page 458.

We are exposed to inventory risks that may adversely affect our operating results as a result of increased competition, seasonality, new model launches, rapid changes in vehicle life cycles and pricing, defective vehicles, changes in consumer demand and consumer spending patterns, among other factors. As a company with limited operating history in a relatively nascent segment within the automotive industry, we have limited insights into consumer trends including customers’ inclination to adopt EVs and the

competitive landscape that may emerge and affect our business. We may misjudge customer demand, resulting in inventory buildup, higher storage costs for inventories stored on our own and our suppliers' premises, reduced margins due to discounted E2W sales and possible significant inventory write-down. While we endeavour to predict these trends and avoid overstocking or understocking issues, demand for our E2Ws can change significantly between the time the inventory or components are ordered and the date of sale.

While we have not experienced any instances of inventory excess or shortage that had a material impact on our business in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there is no assurance that this will not occur in the future. If we are unable to match the timing and quantities of component purchases to our actual needs or successfully implement automation, inventory management and other systems to accommodate the increased complexity in our supply chain and parts management, we may incur unexpected production disruption, storage, transportation and write-off costs, which may harm our business and operating results. The lead times for materials and E2W components that we order from our suppliers may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each E2W component at a given time. If we fail to order sufficient quantities of raw materials and/or product components in a timely manner, the production and delivery of E2Ws to our customers could be delayed, which would harm our business, prospects, financial condition, results of operations, and cash flows. For certain suppliers, we may be required to pay additional expenses if our purchase volumes fall short of the agreed pre-order amounts, in accordance with the terms of the relevant agreements.

35. In the nine months ended December 31, 2024, our Hosur Factory had a capacity utilisation rate of 39% and 41%, for our electric two-wheeler assembly and battery pack manufacturing lines, respectively. Low capacity utilisation rates of our Hosur Factory may limit our ability to leverage economies of scale.

Our Hosur Factory had a total installed capacity of 420,000 units for E2W assembly per annum and 379,800 units for battery pack manufacturing per annum as of December 31, 2024. Our battery pack manufacturing capacity is being expanded to manufacture 531,120 units per year. We may not be able to fully utilise such capacity if demand for our E2Ws does not meet our expectations.

The tables below provide our capacity utilisation rate for E2W assembly and the production of battery packs, respectively, for the periods indicated.

| E2W models | Nine months ended December 31, | | Fiscal Year | | |
|-------------------------------------|-----------------------------------|------------|-------------|------------|------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Capacity Utilisation ⁽³⁾ | | | | | |
| Ather 450S | | | | 40% | - |
| Ather 450X ⁽¹⁾ | 39% | 26% | 29% | - | 20% |
| Ather 450 Apex | | | | - | - |
| Ather Rizta ⁽²⁾ | | | | - | - |
| Total | 39% | 26% | 29% | 40% | 20% |

| Battery models | Nine months ended December 31, | | Fiscal Year | | |
|-------------------------------------|-----------------------------------|------------|-------------|------------|------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Capacity Utilisation ⁽³⁾ | | | | | |
| 2.9 kW (Gen 2) | | | | 41% | 20% |
| 3.7 kW | 41% | 27% | 29% | - | - |
| 2.9 kW | | | | - | - |
| Total | 41% | 27% | 29% | 41% | 20% |

Notes:

- (1) The Ather 450X with 2.9 kWh battery capacity was launched in January 2020 and was succeeded by the Ather 450X (Gen 3) with 3.7 kWh battery capacity launched in July 2022. Following that, the Ather 450X (Gen 3.1) was launched in January 2023. The Ather 450X (Gen 3.1) was succeeded by the Ather 450X (2.9 kWh) and Ather 450X (3.7 kWh) variants, launched in August 2023.
- (2) The Ather Rizta series was launched on April 6, 2024.
- (3) Capacity utilisation is calculated as the actual production during the relevant period divided by the effective annual installed capacity of the Hosur Factory as of the end of the relevant period.

For a further breakdown of our capacity utilisation rate, please see “***Our Business – Business Description – Our Operations Ecosystem – Our Manufacturing Facilities – Our Hosur Factory***” on page 298.

In the nine months ended December 31, 2024 and in Fiscal Year 2024, we had a capacity utilisation rate of 39% and 29%, respectively, in our E2W assembly line at our Hosur Factory. In the nine months ended December 31, 2024 and in Fiscal Year 2024, we had a capacity utilisation rate of 41% and 29%, respectively, in our battery pack manufacturing line at our Hosur Factory. If demand for our E2Ws does not increase and we are unable to expand our operations at the Hosur Factory, we may not realise operational efficiencies and certain economies of scale.

Further, upon the completion of Phase 1 of the Factory 3.0, if we do not have sufficient customer orders to fully utilise the additional production capacity at the Factory 3.0, in addition to any remaining production capacity at the Hosur Factory, we may experience increased costs and lower profit margins. We cannot assure you that we will be able to achieve high capacity utilisation rates in the future, which in turn could limit our ability to leverage economies of scale, thereby adversely affecting our margins and results of operations.

36. *We recorded exceptional items amounting to ₹1,746 million in Fiscal Year 2024 in relation to refunds issued to our customers for the chargers purchased by customers as an accessory to their E2W prior to April 12, 2023, and adjustments of incentives for differential battery capacity.*

In response to a show cause notice (“SCN”) dated March 29, 2023 from IFCI Limited on behalf of the Ministry of Heavy Industries (“MHI”) in relation to certain matters under the FAME II and Phased Manufacturing Program (“PMP”) guidelines, the Company vide its responses dated April 12, 2023 and May 2, 2023, without prejudice, agreed to voluntarily refund the price of the chargers purchased by customers as an accessory to their E2W prior to April 12, 2023. Further, the Company voluntarily agreed to pay the differential incentive amount claimed based on installed capacity against usable capacity. As a result, the Company recorded an expense of ₹1,578 million in relation to the refund of the chargers and ₹168 million towards adjustments of incentives for differential battery capacity (including interest), aggregating to ₹1,746 million.

Per our letters to the MHI dated March 12, 2024, March 22, 2024 and July 9, 2024, we have concluded the refund process for 93% of the customers and as of December 31, 2024, we have refunded a total of ₹1,461 million with an outstanding liability of ₹117 million. We will process the refunds for the remaining customers once approached by such customers. In relation to the outstanding balance, we maintain a deposit in a bank account managed by IFCI Limited. We have requested the MHI to release all pending deposits of refunds for the chargers made by our Company to the customers, of which certain amounts are pending to be released to us, and treat the matter pertaining to the show-cause notice dated March 29, 2023 as closed. Subsequently, the MHI had instructed us to issue a public notice asking the eligible customers to claim refunds within three months of the issuance of such public notice. Accordingly, we have made such public notice to our customers on January 19, 2025, and once contacted, our Company would process the refunds of such customers. Failure to contact us within three months of such public notice would result in the closure of the refund process for such customers. However, there is no assurance that all such deposits of refunds for the chargers will be released to us, in its entirety. We have also deposited ₹168 million as differential amount of usable battery capacity with the MHI (including interest). Further, we cannot assure you that such issues will not arise in the future, and if so, can adversely impact our profitability and results of operations.

37. *We are highly dependent on the services of Tarun Sanjay Mehta and Swapnil Babanlal Jain, Key Managerial Personnel, Senior Management and other qualified personnel, and we may experience disruptions to our business if we lose their services.*

Our success substantially depends on the ongoing service and reputation of Tarun Sanjay Mehta, our Executive Director and Chief Executive Officer, and Swapnil Babanlal Jain, our Executive Director and Chief Technical Officer, as well as the efforts of our Key Managerial Personnel (“KMP”) and Senior Management. Such individuals provide strategic direction that enables us to effectively navigate the evolving EV industry, leveraging their experience in various fields, such as R&D, product management, business operations, manufacturing, supply chain management and management. We had turnover in some of our KMP, Senior Management and others, including certain senior executives, in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, and are in the process of

identifying successors for certain roles. For details of change in Key Managerial Personnel and Senior Management in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, please see “***Our Management – Changes in Key Managerial Personnel or Senior Management during the last three years***” on page 349.

The following table summarises the total number of our permanent employees (excluding consultants, trainees and interns) and attrition rate of permanent employees for the periods indicated.

| | As at / for the nine months ended December 31, | | As at March 31, / Fiscal Year | | |
|--|--|--------------------|-------------------------------|-------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Total number of permanent employees | 1,546 | 1,413 | 1,424 | 1,370 | 768 |
| Total number of permanent employee exits | 141 | 206 | 257 | 171 | 134 |
| Attrition rate ⁽¹⁾ | 9% ⁽²⁾ | 15% ⁽²⁾ | 18% | 16% | 21% |

Note:

(1) Attrition rate is calculated as the total number of permanent employees who exited within the relevant period divided by the average total number of permanent employees as at the beginning and end of the relevant period.

(2) Attrition rate is not annualized.

If any of our KMPs or Senior Management leave due to death, disability, or other reasons, or if their reputation is harmed, our business may be disrupted, and our financial condition adversely affected. We may incur additional costs to recruit, train, and retain qualified personnel. If any of our KMP or Senior Management join a competitor or start a competing company, we may lose customers, know-how and key staff. Although there are non-compete provisions contained in their letters of appointment or employment agreements, as applicable, these may not be enforceable in disputes. While we have not had any adverse publicity related to this staff turnover in the past, there is no assurance that it would not occur in the future. Such instances could harm our reputation and impede our ability to attract new talent, which may negatively impact our business operations.

If any of our key employees, including our KMP and Senior Management, choose to discontinue their roles or become unable to continue their roles, finding suitable replacements in a timely manner could prove challenging. We may not be able to replace them at all. As our brand gains recognition, we face an increased risk of our employees being targeted by competitors or other businesses for recruitment. The sector we operate in is known for its high demand for skilled professionals and competition for such individuals, and we cannot guarantee our success in retaining or hiring staff. See “***Our Management – Changes in Key Managerial Personnel or Senior Management during the last three years***” on page 349.

Furthermore, as our Company is relatively young and we operate in a nascent industry, our ability to staff and train new employees in our operations may not meet the growing demands of our business, especially with the expansion of our Factory 3.0. This may materially and adversely affect our ability to grow our business and our results of operations. In addition, because our E2Ws are based on a different technology platform than conventional ICE vehicles, individuals with sufficient training in such E2Ws may not be available to hire. We will therefore need to expend significant time and expenses in hiring and training new employees. We also employ personnel on a contractual basis, such as in our manufacturing facilities and our Corporate Office, and we cannot assure you that we will be able to recruit qualified and adequately trained personnel to meet the growing demands of our business.

We run the risk of employee misconduct or the failure of our internal processes and procedures to identify and prevent such misconduct. For instance, in the recent past, we have had an allegation pertaining to unfair means in our recruitment process and we have taken actions in respect of such an instance. Any such instances in future may also adversely affect our reputation, thereby adversely impacting our business, results of operations and financial condition.

38. ***We require a significant amount of capital and our future capital needs may require us to obtain additional loans and borrowings or issue equity or debt securities, which may impose restrictions on our business activities and dilute our shareholders’ equity.***

We need significant capital to, among other things, conduct R&D, invest in technologies and product development including sales and marketing, capital expenditure, construct the Factory 3.0, expand our

production capacity and fund organic growth initiatives and general corporate purposes. The table below sets out our total capital expenditure for the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|---|--------------------------------------|------|-------------|-------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (₹ million, unless otherwise stated) | | | | |
| Total Capital Expenditure | 2,635 | 762 | 1,159 | 1,318 | 722 |
| Total Capital Expenditure as a % of Revenue from Operations | 17% | 6% | 7% | 7% | 18% |

For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Capital Expenditures*” on page 458.

We expect our capital expenditures to continue to be significant in the foreseeable future as we expand our business. Our limited operating history makes it difficult to accurately forecast our future capital requirements.

We may in the future seek equity or debt financing to finance a portion of our capital expenditures or refinance our debt. Such financing may not be available to us in a timely manner or on commercially acceptable terms, or at all. In addition, our future capital needs and other business reasons may require us to issue additional equity or debt securities (including convertible debt securities) or obtain a credit facility. The issuance of additional equity securities or debt securities convertible into equity could dilute our shareholders’ shareholding. Our ability to obtain the necessary financing could be subject to a number of factors, including general market conditions, business performance and investor acceptance of our business plan. Our outstanding indebtedness may also affect our ability to obtain financing in a timely manner and on reasonable terms. These factors may make the timing, amount, terms and conditions of such financing unattractive or unavailable to us. If we are unable to raise sufficient funds, we will have to significantly reduce our spending, delay or cancel our planned activities. We might not be able to obtain any funding or service any of the debts we incurred, which could mean that we would be forced to curtail or discontinue our operations thus causing our business, financial condition and prospects to be materially and adversely affected.

The incurrence of indebtedness would require us to use a portion of our future cash flows from operations to pay interest and principal on our indebtedness, thereby resulting in an increase in debt service obligations. Our financing arrangements may also impose certain operating and/or financial covenants that restrict our operations, limit our ability to implement our business strategy, heighten our vulnerability to downturns in our business, the industry, or in the general economy, prevent us from taking advantage of business opportunities as they arise, or prevent us from being able to pay dividends to our shareholders. For further details, see – “*If we are unable to comply with repayment and other covenants in our financing agreements, our business, financial condition and cash flows could be adversely affected*” on page 84.

39. Our research and development efforts may not yield expected results and we may not recoup our investments, which could adversely affect our financial condition, results of operations and prospects.

Technological innovation is important to our success. We have developed most of our technologies in-house and have invested in our R&D efforts and expect to continue doing so in the future. R&D activities are inherently uncertain, and there can be no assurance that we will continue to achieve technological breakthroughs and successfully commercialise such breakthroughs. The following table sets out our R&D expenditure for the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|----------------------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2024 ⁽¹⁾ | 2023 ⁽²⁾ | 2024 ⁽³⁾ | 2023 ⁽⁴⁾ | 2022 ⁽⁵⁾ |
| | (₹ million, unless otherwise indicated) | | | | |
| Manpower | 1,309 | 1,113 | 1,518 | 1,204 | 575 |
| % of total income | 8% | 9% | 8% | 7% | 14% |
| Non-manpower | 1,079 | 524 | 847 | 712 | 435 |
| % of total income | 7% | 4% | 5% | 4% | 11% |
| Total R&D Expenditure | 2,388 | 1,637 | 2,365 | 1,916 | 1,010 |

| | | | | | |
|-------------------|-----|-----|-----|-----|-----|
| % of total income | 15% | 13% | 13% | 11% | 24% |
|-------------------|-----|-----|-----|-----|-----|

Notes:

- (1) Inclusive of ₹149 million as taxes.
- (2) Inclusive of ₹96 million as taxes.
- (3) Inclusive of ₹142 million as taxes.
- (4) Inclusive of ₹132 million as taxes.
- (5) Inclusive of ₹55 million as taxes.

The following table indicates the amount of R&D expenditure capitalised and our R&D expenditure capitalised as a percentage of total R&D expenditure in each of the periods indicated. We follow a conservative R&D capitalisation policy. For more details, see “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Principal Components of Statement of Profit and Loss – Expenses – R&D expenditure**” on page 438.

| | Nine months ended December 31, | | Fiscal Year | | |
|--|---|------|-------------|------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (₹ million, unless otherwise indicated) | | | | |
| R&D expenditure capitalised | 1,252 | 477 | 800 | 444 | 714 |
| R&D expenditure capitalised as % of total R&D expenditure | 52% | 29% | 34% | 23% | 71% |

For instance, we are currently invested in developing battery packs that utilise cells of other types of chemistry and we cannot assure you that we will be able to recoup our investments. A delay in the development or regulatory approval (if applicable) of technologies for our new E2W models could delay our expected timelines to bring new E2Ws to market or to provide upgrades to existing models or generally fail to meet customer demand, which would in turn damage our brand and reputation, adversely affect our business, financial condition, results of operations, cash flows and prospects and cause liquidity constraints.

40. We may experience delays, disruptions or cost overruns in the construction of the Factory 3.0 at Chhatrapati Sambhajinagar (formerly Aurangabad), Maharashtra, India, which could adversely affect our business, prospects, financial condition and results of operation.

We plan to construct the Factory 3.0 at Chhatrapati Sambhajinagar (formerly Aurangabad), Maharashtra, India, on a 95-year leased property in both phases, having a total production capacity of 1 million E2Ws per year upon completion of construction of both phases to achieve a total production capacity of 1.42 million of E2Ws per year across all our manufacturing facilities. This first phase of Factory 3.0 is proposed to be financed through the Net Proceeds and expected to be completed in March 2027, with a production capacity of 0.5 million E2Ws per year, based on the D&B Report. For further details on timelines, project cost and funding, see “**Objects of the Offer – Capital expenditure to be incurred by our Company for establishment of an E2W factory in Maharashtra, India**” on page 168.

However, if, amongst other factors, the market demand is weak, we may not complete or may delay the construction of the two phases of Factory 3.0. Further, we could experience delays, disruptions or other difficulties during construction, such as labour disruptions, technological advancement rendering the purchased software redundant, foreign exchange rate fluctuations and failure to receive approvals from relevant government and statutory authorities. These may cause us to incur additional expenses and experience cost overruns or face difficulties in meeting the demand for our products as we continue to grow our business, thus adversely affecting our business, prospects, financial condition and results of operation. For further details in relation to time and costs overruns, please see “– **₹9,272 million of the Net Proceeds are intended to be utilised for funding our capital expenditure requirements to construct Phase 1 of Factory 3.0 at Chhatrapati Sambhajinagar (formerly Aurangabad), Maharashtra. We have relied on third-parties’ quotations in estimating the total cost of our capital expenditure and no bank, financial institution or other independent agency have appraised this project.**” on page 80.

Under Indian laws, the construction of manufacturing facilities is subject to, *inter alia*, government supervision and approval procedures, including but not limited to project approvals and filings, construction land and project planning approvals, environment protection approvals, pollution discharge permits, drainage licence, factory and labour licences, work safety approvals, fire protection approvals, and the completion of inspection and acceptance by relevant authorities. For details, see “–**Objects of the Offer – Details of the Objects – Capital expenditure to be incurred by our Company for**

establishment of an E2W factory in Maharashtra, India – Government and Other Approvals” on page 178.

In response to our proposal to set up Factory 3.0 for undertaking certain capital investment and providing employment at Factory 3.0, the Government of Maharashtra has issued an offer letter dated June 20, 2024 in accordance with which our Company has been offered incentives and exemptions including in relation to electric duties, capital subsidy, industrial promotion subsidy, stamp duties subject to compliance with the Electric Vehicle Policy, 2018. Thereafter, Maharashtra Industrial Township Limited (“MITL”) issued an allotment letter dated July 11, 2024. The land on which we propose to construct Factory 3.0 has been leased to us by MITL and we have entered into a sub-lease deed dated August 1, 2024 with MITL for a period of 95 years. We require certain routine approvals in relation to the construction of Phase I of Factory 3.0, in respect of which we have received approvals including for layout plan from MITL, commencement certificate for development/ building permission from MITL, and provisional fire approval from the MITL fire department, as disclosed in ***“Objects of the Offer – Details of the Objects - Capital expenditure to be incurred by our Company for establishment of an E2W factory in Maharashtra, India – Government and Other Approvals.***

As part of the terms and conditions of the sub-lease deed, we are required to obtain approval of the plans and specification of Factory 3.0 within 24 months from the date of execution of the sub-lease deed with MITL, and to complete construction within five years from the date of execution of the sub-lease deed with MITL. If we fail to comply with such terms and conditions, we may be subject to fines, penalties, legal proceedings and cancellation of the sub-lease/ allotment of land. We have obtained possession of the land and MITL has issued a possession letter dated August 1, 2024 to us.

There is no assurance that we will be able to comply with the requirements of government supervision or procure requisite business approvals in a timely manner or at all. While we have not experienced any such delays in the execution of our expansion projects in the nine months ended December 31, 2024 and in the past three Fiscal Years, any such delays could result in us becoming subject to administrative uncertainty, fines, or the suspension of use of such project. Any of the foregoing could materially and adversely affect our business operations.

41. Any failure of our products or technology systems, breaches in data security or privacy concerns, and any failure on our part to address such issues, could harm our reputation and growth prospects, and cause us to incur substantial costs to remedy such issues.

Our products and technology systems are vulnerable to damage or interruptions from, among others, fire, natural disasters, power loss, telecommunications failures, errors, glitches, bugs, vulnerabilities or design defects, which could result in service interruptions or system failures, and our systems are subject to certain technical limitations that may compromise our ability to meet our objectives.

We may face technological failures, such hardware failures, product software failures, and internal software failures. We have experienced minor hardware failures in the past (although none have materially affected our operations), and such hardware failures may occur in the future. In addition, the product software updates that we deploy through OTA updates may fail to properly update the vehicles’ software or otherwise have unintended consequences, including software failure. While we have not faced any material product software failures in the nine months ended December 31, 2024 and in the past three Fiscal Years, such issues may be difficult to detect and may only be discovered after the OTA update has been released for external or internal use. Further, failure of our internal information system technology may disrupt our operations and prevent us from delivering our products and services in a timely manner. Whilst we have not experienced any material internal software failures in the nine months ended December 31, 2024 and in the past three Fiscal Years, we cannot assure you that this will not happen in the future.

If we are unable to prevent or effectively remedy such software and hardware issues in a cost effective and timely manner, our business, prospects, financial condition, results of operations, and cash flows could be adversely affected. In the event that our technology systems are unable to handle the additional business volume, our service capabilities, operating efficiency and future business volume may decline.

While we have designed, implemented and tested security measures intended to prevent unauthorised access to our product and internal information technology networks, databases and our E2Ws and their systems and have not experienced any such attacks in the past, hackers may, in the future, attempt to gain

unauthorised access to modify, alter, and use our networks, E2Ws, and systems to gain control of, or to change, our E2Ws' functionality, customer interface, and performance characteristics; carry out computer denial of service attacks; or gain access to data stored in or generated by the E2Ws. Vulnerabilities could be identified in the future and our remediation efforts may not be successful. Any unauthorised access to or control of our E2Ws or their systems or any loss of data could result in legal claims or proceedings against us. Our data centres are also subject to break-ins, sabotage, and intentional acts of vandalism, and to potential disruptions caused by earthquakes, hurricanes, floods, fires and other natural disasters, power losses, and disruptions in telecommunications services. Some of our systems are not fully redundant, and our disaster recovery planning cannot account for all eventualities. While we have not experienced any such attacks on or disruptions to our data centres in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, we could experience lengthy interruptions in our service if such events manifest. While we have obtained coverage under our cyber security insurance policy, there is no assurance that we will be covered for all losses incurred. Further, reports of unauthorised access to our E2Ws, their systems, or data as well as other factors that give the perception that our E2Ws, their systems, or data are capable of being hacked, could negatively affect our brand and harm our business, financial condition, results of operations, and prospects.

42. *The driving range of our electric two-wheelers on a single battery charge decreases over time and this may negatively impact customers' decision to adopt electric vehicles. We may not be able to fully ascertain the deterioration rate of our battery packs.*

The rate at which the driving range of our E2Ws on a single battery charge declines depends on usage, time and charging patterns. E2Ws with higher battery capacities offer longer driving ranges. The driving range of an E2W may decline over time due to a deterioration in the battery pack's ability to hold charge. The following table provides a comparison of the ARAI certified driving range on a single battery comparison to our peers.

| Company | Model | Range (ARAI certified) |
|--|---------------------------|------------------------|
| Ather Energy Limited | Rizta S | 123 km |
| | Rizta Z (2.9 kWh) | 123 km |
| | Rizta Z (3.7 kWh) | 159 km |
| | 450S | 122 km |
| | 450 X (2.9 kWh) | 126 km |
| | 450 X (3.7 kWh) | 161 km |
| | 450 Apex | 157 km |
| Bajaj Auto Limited | Chetak Blue 2903 Standard | 123 km |
| | Chetak Blue 2903 TECPAC | 123 km |
| | Chetak Blue 3202 Standard | 137 km |
| | Chetak Blue 3202 TECPAC | 137 km |
| | Chetak 3501 | 153 km |
| | Chetak 3502 | 153 km |
| Ola Electric Mobility Limited | S1X+ (3kWh) | 151 km |
| | S1X (2kWh) | 95 km |
| | S1X (3kWh) | 151 km |
| | S1X (4 kWh) | 193 km |
| | S1 Air (3 kWh) | 151 km |
| | S1 Pro (2nd gen) | 195 km |
| TVS Motor Company Limited | iQube ST (5.1 kWh) | 150 km |
| | iQube ST (3.4 kWh) | 100 km |
| | iQube (3.4 kWh) | 100 km |
| | iQube (2.2 kWh) | 75 km |
| | iQube S | 100 km |
| | TVS X | 140 km |
| Greaves Electric Mobility Limited (Ampere) | Magnus Neo | 95 km |
| | Zeal Ex | 80 km |
| | Magnus EX | 100 km |
| | Nexus EX | 136 km |
| | Primus | 107 km |
| | Nexus ST | 136 km |
| Okinawa Autotech Private Limited | Praise Pro | 81 km |
| | Ridge+ | 81 km |
| | Ridge+(GPS) | 81 km |

| Company | Model | Range (ARAI certified) |
|-----------------------|-----------|------------------------|
| Hero MotoCorp Limited | Ridge 100 | 149 km |
| | Ipraise + | 137 km |
| | Okhi-90 | 161 km |
| | V2 Lite | 94 km |
| | V2 Plus | 143 km |
| | V2 Pro | 165 km |

(Source: CRISIL)

As customers use E2Ws for various purposes, in differing manners and durations, the performance of the battery packs in our E2Ws may vary and decline at a faster rate than the manufacturer's estimate. For instance, the frequency of a customer's usage and charging patterns can all result in accelerated deterioration of the battery pack's ability to hold a charge. While we have completed standard warranty cycles in the past, our limited operating history means that we are unable to accurately assess the actual deterioration of our battery packs in the future. The decline in driving range on a single battery charge over time may negatively affect potential customers' decision to purchase our E2Ws, thereby affecting our business and financial operations.

43. The wider distribution networks of certain of our competitors may provide them with a competitive edge, and we may face higher barriers to entry in certain markets which our competitors have penetrated.

Certain of our competitors, including those that are incumbent ICE players, have a wider distribution reach than our Company. The following table sets forth details of the distribution network of our Company, as well as that of our competitors per the CRISIL Report. See also "**Industry Overview – Key Electric Two-Wheeler (E2W) Player Profiles**" beginning on page 247.

| E2W Player | Distribution Network |
|--|--|
| Ather Energy Limited | As of December 31, 2024, we had a total of 280 experience centres and 238 service centres in India, Nepal and Sri Lanka. Among these, 277 experience centres and 236 service centres were operated by third-party retail partners in India, through one authorised distributor in Nepal and through one authorised distributor in Sri Lanka. |
| Bajaj Auto Limited | Network of over 250 exclusive Chetak dealers and over 3,000 Bajaj motorcycle dealers which offers both ICE and Chetak vehicles as of December 31, 2024. |
| Ola Electric Mobility Limited | Ola Electric's network comprised over 4,000 touchpoints situated across India, as of December 31, 2024. |
| TVS Motor Company Limited | TVS had approximately 900 dealer touch points across more than 400 cities in India as of December 31, 2024. |
| Greaves Electric Mobility Limited (Ampere) | Greaves Electric Mobility has over 420 dealerships and touchpoints across India, as of December 31, 2024. |
| Okinawa Autotech Private Limited | Okinawa Autotech has more than 542 touchpoints across India, as of December 31, 2024. |
| Hero Motocorp Limited | Hero MotoCorp distributes its electric vehicle offerings through a sales channel covering over 160 cities and 379 dealers as of December 31, 2024, in addition to 20 VIDA hubs. |

As a result, certain of our competitors may have a higher rate of market penetration than us in certain markets and we may face entry barriers to successfully compete with them. Further, wider distribution networks may lead to greater brand visibility and recognition, which could entrench customers in those regions to our competitors. Extensive distribution channels may also offer better convenience to ensure higher product availability and faster delivery times, which could promote brand loyalty. As a result of these factors, our business, prospects, financial condition, results of operations and cash flows may be adversely affected.

44. Any insufficiency of our warranty reserves to cover future warranty claims could have an adverse impact on our financials.

As we commenced the delivery of our E2Ws in September 2018, we have a limited operating history in terms of responding to warranty claims and have experienced a limited number of warranty claims relating to our E2Ws to date. Therefore, we have a limited basis upon which to estimate our future expenses related to warranty claims and the appropriate level of provisions for warranties that we should

maintain. The following table sets forth the amount of provisions for warranties made, warranty costs and provisions for warranty utilised in the periods indicated.

| | As of / Nine months ended December 31, | | As of March 31 / Fiscal Year | | |
|--|---|-------|------------------------------|------|------|
| | 2024 | 2023 | 2024 (₹ million) | 2023 | 2022 |
| Provision for warranties | 1,337 | 1,107 | 1,076 | 820 | 241 |
| Warranty Costs | 410 | 416 | 429 | 572 | 204 |
| Provision for warranty utilised during the period ⁽¹⁾ | 219 | 209 | 250 | 46 | 29 |

Note:

(1) Provisions for warranty utilised is based on the value of claims received during the periods indicated.

The amount of the warranty reserve represents our best estimate of the projected costs to repair or replace items under warranties, as well as the nature and frequency of future claims. See “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Selected Restated Statement of Assets and Liabilities**” on page 458.

We currently offer a three-year/30,000 km (whichever is earlier) scooter warranty and a three-year warranty on our charger. We offer a five-year/60,000 km (whichever is earlier) warranty for the Ather 450 Apex battery pack, while the battery packs for other E2W models come with a three-year/30,000 km (whichever is earlier) warranty. For an additional fee, an extended battery warranty option is available, providing an additional two years/30,000 km (whichever is earlier), bringing the total battery warranty to five years/60,000 km (whichever is earlier). Our warranty program is intended to cover all parts and labour costs to repair defects in manufacturing and workmanship. In addition, in November 2024, we launched the Eight70 warranty program, available exclusively for customers who have already purchased the Pro Pack. The Eight70 warranty program offers a minimum 70% battery state-of-health assurance and provides coverage for up to eight years/80,000 km (whichever is earlier). We also plan to introduce a new extended comprehensive warranty program which will extend the vehicle and charger warranty to five years/60,000km (whichever is earlier). For further details, see “**Our Business – Our Value Added Services – Warranties**” on page 296.

While we have completed the standard warranty cycles for our Ather 450 and Ather 450X scooters and our extended warranties are underwritten by insurance partners, we cannot guarantee that our warranty reserves will be sufficient in the future. As of December 31, 2024, we have received 46 customer claims under the extended battery warranty which are covered by our insurance partners. Nonetheless, we may, in the future, face significant warranty claims, resulting in substantial expenses that could materially and adversely affect our financial condition, results of operations, and prospects. As we aim to increase sales volumes and expand our product line, we could see a rise in warranty claims, necessitating an increase in our warranty reserves.

We monitor and adjust provisions for warranties based on actual and estimated future warranty costs. For instance, we took into account the battery warranty claims from our customers relating to battery performance in Fiscal Years 2023 and 2022 when setting our Fiscal Year 2024 provisions. Although we have insurance policies underwriting our liabilities for the two-year extended warranty period for our batteries and the Eight70 warranty program, our third-party partners cover up to ₹70,000 for battery repairs or replacement per E2W. Any battery failures exceeding ₹70,000 in repair costs per E2W will be covered by our Company. There is no assurance that these insurance policies or provisions will sufficiently cover all incurred costs. We cannot guarantee that costs associated with extended warranty claims will not adversely affect our future results of operations or that our provisions for warranties will be adequate to cover all future claims.

45. The automotive industry and its technology are rapidly evolving and may be subject to unforeseen changes which could adversely affect the demand for our electric two-wheelers or increase our operating costs.

We may be unable to keep up with changes in EV technology or alternatives to electricity as a fuel source and, as a result, our competitiveness may suffer. We have invested in our R&D capabilities to keep up with these technological trends and have set out our R&D expenses in the table below for the periods

indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|----------------------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2024 ⁽¹⁾ | 2023 ⁽²⁾ | 2024 ⁽³⁾ | 2023 ⁽⁴⁾ | 2022 ⁽⁵⁾ |
| | (₹ million, unless otherwise indicated) | | | | |
| Manpower | 1,309 | 1,113 | 1,518 | 1,204 | 575 |
| % of total income | 8% | 9% | 8% | 7% | 14% |
| Non-manpower | 1,079 | 524 | 847 | 712 | 435 |
| % of total income | 7% | 4% | 5% | 4% | 11% |
| Total R&D Expenditure | 2,388 | 1,637 | 2,365 | 1,916 | 1,010 |
| % of total income | 15% | 13% | 13% | 11% | 24% |

Notes:

(1) Inclusive of ₹149 million as taxes.

(2) Inclusive of ₹96 million as taxes.

(3) Inclusive of ₹142 million as taxes.

(4) Inclusive of ₹132 million as taxes.

(5) Inclusive of ₹55 million as taxes.

See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Principal Components of Statement of Profit and Loss – Expenses – R&D expenditure*” on page 438.

Any failure by us to develop new or enhanced technologies or processes, or to react to changes in existing technologies, could materially delay our development and introduction of new and enhanced E2Ws. Any of these, including any failure by us to anticipate customers’ rapidly changing needs, expectations, and preferences, could result in the loss of competitiveness of our E2Ws, decreased revenue, and a loss of market share to competitors. Our R&D efforts may not be sufficient to adapt to changes in EV technology.

Our E2Ws may not compete effectively with alternative systems if we are not able to source and integrate the latest technology into our E2Ws. The introduction and integration of new technologies into our E2Ws may increase our costs and capital expenditures required for the production and manufacture of our E2Ws. In addition, upgrades and adaptations to our E2Ws may also require, from time to time, planned and temporary manufacturing shutdowns. Plant shutdowns, whether associated with product changes or other factors, can have a negative impact on our revenues and a negative impact on our working capital. If we are unable to implement new technologies or adjust our manufacturing operations in a cost efficient manner, if we experience delays in achieving the foregoing, or if planned manufacturing shutdowns last longer than projected, our business, prospects, financial condition, results of operations, or cash flows would be materially and adversely affected.

46. We may face challenges in the provision of charging solutions to customers, and inadequate access to our charging infrastructure could materially and adversely affect demand for our electric two-wheelers.

We may face challenges in our expansion of the Ather Grid, our two-wheeler charging infrastructure comprising (i) fast chargers, which are direct current chargers that can charge E2Ws at the rate of 15 km per 10 minutes and accessible by Ather E2W owners and customers of EV OEMs using our Light Electric Combined Charging System (“LECCS”), and (ii) neighbourhood chargers, which are 3.3 kW alternating current charging points at various locations, such as apartment blocks, office buildings and university campuses, and generally accessible by the public. Our E2Ws utilise battery packs that are tested to ensure an IPX7 waterproof rating certified by the Automotive Research Association of India. For charging at the fast chargers, we charge Ather E2W owners a fee of ₹1 per minute and charge our partner EV OEMs a fee of ₹0.95 per minute for charging services availed by their respective customers. The charging fee for neighbourhood chargers varies by location, depending on the terms of our agreements with the relevant host that installed and owns the charger.

The following table sets out details of the Ather Grid as at the dates indicated.

| | As at December 31, | | As at March 31, | | |
|---------------------------------------|--------------------|-------|-----------------|-------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Fast Chargers | 2,616 | 1,649 | 1,973 | 1,175 | 291 |
| Neighbourhood Chargers ⁽¹⁾ | 666 | 336 | 510 | - | - |

Note:

(1) We began commissioning neighbourhood chargers in Fiscal Year 2024.

The table below also sets out coverage of the Ather Grid by number of cities and districts, as of December 31, 2024.

| | Number of Chargers | Number of Cities | Number of Districts |
|------------------------|--------------------|------------------|---------------------|
| Fast Chargers | 2,616 | 314 | 234 |
| Neighbourhood Chargers | 666 | 13 | 11 |

We have sold a total of 341,113 vehicles since inception, translating to a ratio of 104 vehicles per public charger within the Ather Grid, as of December 31, 2024.

For further details, please see “*Our Business – Business Description – Our Charging Infrastructure*” on page 263.

While we provide a portable charger with every E2W we sell, our abilities to provide out-of-home charging solutions and continue the expansion of our charging infrastructure depend on our partnerships with third-parties to install and maintain our chargers. The cost of setting up chargers in each location also differs depending on factors such as the distance of electrical cabling required, requirement of civil work and other branding requirements. The successful setup of our chargers also depends upon the receipt of necessary private and government approvals, the criteria for which varies by state and location. While we have not faced any material challenges in establishing and growing our charging infrastructure in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, we may nonetheless face delays in the continued expansion of our charging infrastructure.

If our continued expansion of the Ather Grid cannot keep pace with the increasing demand for our charging infrastructure, customer wait times may increase, which may result in customer dissatisfaction and adversely affect our brand and demand for our E2Ws. For further details, see “*Customers may face difficulties charging their electric two-wheelers, particularly during long distance travels, as a result of inadequate access to public charging infrastructure. This in turn, could materially and adversely affect demand for our electric two-wheelers.*” on page 86.

47. *If our customers alter or customise our electric two-wheelers with aftermarket parts or severely damage our electric two-wheelers, such electric two-wheelers may not operate properly and impact our reputation.*

Customers may alter or customise our E2Ws with aftermarket parts or severely damage our E2Ws through accidents or by using improper external cabling or unsafe charging outlets, such as incorrect chargers or plug points. Such actions can severely damage or compromise our E2Ws’ performance, safety, charging systems and security systems, and in the case of severe damages, expose our customers to injury from high voltage electricity or cause our batteries to catch on fire. For example, in Fiscal Year 2022, the battery case of one of our E2Ws was severely damaged due to a traffic accident. Following routine service, water inadvertently seeped into the battery, which subsequently caught on fire. While this incident did not have a material impact on our business nor cause any bodily injuries, and we are not aware of any other material incidents arising from modifications or misuse in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there is no assurance that they will not arise in the future. Any injuries resulting from such actions could result in adverse publicity, which would negatively affect our brand and thus harm our business, prospects, financial condition, results of operations and cash flows.

48. *Failure to comply or a delay in complying with motor vehicle standards laid down by the Automotive Research Association of India could materially and adversely affect our business and results of operations.*

Our E2Ws are required to adhere to the safety standards mandated in India, as specified by the ARAI. To obtain a certificate of compliance with Central Motor Vehicle Rules, 1989, the ARAI conducts tests to ensure that components automobile lamps, indicators, signalling/lighting devices, wheel rims, spray suppression, horn, tyre, bulb and retro reflectors comply with the safety standards under Rule 124 of the Central Motor Vehicle Rules, 1989. If our E2Ws fail to meet ARAI’s homologation criteria, they will

not be deemed fit for road use and cannot be released to the public. Additionally, the compliance certificate can be suspended or revoked if a certified E2W model is discovered to have defects that lead to quality or safety issues, or if it fails to meet certification standards during subsequent inspections. While we possess the required certifications for our E2Ws, there is no assurance that we will be able to maintain or renew such certifications. If a certificate of compliance for any of our E2Ws is revoked or suspended, that model cannot be delivered, sold, imported or utilised in any commercial capacity from the date of such revocation or suspension. Therefore, non-compliance with the required safety standards could have a significant and detrimental impact on our business operations and financial performance. While we have not experienced any instances of non-compliance with standards of motor vehicles set by ARAI and other industry standards in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there is no guarantee that such instances of non-compliance will not occur in the future.

Further, whilst our E2Ws may meet all the necessary standards laid down by ARAI, there may be a delay in receiving such certificates of compliance. These delays could result in fines or delayed launches, which have the ability to materially affect our business and results of operations. While we have not experienced any delays in compliance with the ARAI standards in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there is no assurance that such delay will not occur in the future.

49. ***₹9,272 million of the Net Proceeds are intended to be utilised for funding our capital expenditure requirements to construct Phase 1 of Factory 3.0 at Chhatrapati Sambhajinagar (formerly Aurangabad), Maharashtra. We have relied on third-parties' quotations in estimating the total cost of our capital expenditure and no bank, financial institution or other independent agency have appraised this project.***

We intend to use the Net Proceeds from this Offer for the purposes described in “*Objects of the Offer*” beginning on page 166. The objects of the Offer comprise (i) capital expenditure to be incurred by our Company for establishment of Factory 3.0 in Maharashtra; (ii) repayment / pre-payment, in full or part, of certain borrowings availed by our Company; (iii) investment in R&D; (iv) expenditure towards marketing initiatives; and (v) general corporate purposes.

In relation to the construction of our Factory 3.0, the total cost of this project is estimated to be ₹11,226.99 million. We have relied on the D&B Report for our estimation. We have not placed any orders for plants or machinery for our Factory 3.0 as of the date of this Red Herring Prospectus, and we cannot assure you that such orders will be placed in a timely manner. In the event of any delay for placing these orders, the proposed schedule, implementation and deployment of the Net Proceeds may be extended or varied accordingly. The proposed timeline for implementation of the various activities in relation to the Project are set out below:

| Particulars | Timeline of completion | |
|-------------------|------------------------|--|
| Sub-lease of land | August 2024 | |

| Particulars | Estimated schedule of commencement | Estimated schedule of completion |
|------------------------------|------------------------------------|----------------------------------|
| Phase I timeline* | March 2025 | March 2027 |
| - Equipment | March 2025 [#] | June 2026 |
| - Construction | May 2025 | May 2026 |
| - Installation commissioning | December 2025 | March 2027 |

*Phase I is proposed to be completed by March 2027 for production with a targeted capacity of 0.5 million E2Ws (Source: D&B Report). In line with our capital efficient approach, we will commence production in a phased manner at the Factory 3.0, starting in July, 2026.

[#] Post the date of the D&B Report, we have commenced and are currently engaged in final technical evaluations for equipment

In addition, except for the agreement for project management consultancy services dated September 16, 2024 entered into with Jones Lang LaSalle Property Consultants (India) Private Limited, we have not entered into any definitive agreements with third-parties to utilise the Net Proceeds for this project and have rather relied on their quotations to provide the necessary figures for the D&B Report. Most of these quotations are valid for a certain period of time and may be subject to revisions and other commercial and technical conditions. There is no assurance that the actual costs incurred in relation to constructing our Factory 3.0 will be similar to and not exceed the amounts indicated in the third-party quotations. Further, we may ultimately contract with vendors other than those that had previously submitted

quotations for various reasons. For further details, see “*Objects of the Offer – Capital expenditure to be incurred by our Company for establishment of an E2W factory in Maharashtra, India*” on page 168.

If we are unable to procure the requisite materials from the contracted vendors, there is no assurance that we will be able to identify alternative vendors to provide us the materials that satisfy our requirements at acceptable prices and in a timely manner. Our inability to undertake construction work and procure plant and machinery at acceptable prices or in a timely manner, may result in an increase in the cost of Factory 3.0, the proposed scheduled implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

Furthermore, the completion of Factory 3.0 is also dependent on the performance of external agencies which are responsible for, *inter alia*, undertaking construction work, installation and commissioning of machinery and supply and testing of equipment. If the performance of these agencies is inadequate, it may result in incremental cost and time overruns which could adversely affect our business and results of operations. Although we have not experienced any material delays in the commencement of operations at our other facilities, there is no assurance that delays will not occur in the future. Such delays may be caused by events beyond our control and may affect our ability to complete the Factory 3.0 in accordance with the proposed schedule of implementation, which could have an adverse impact on our growth, prospects, cash flows and financial condition.

Further, the D&B Report provides that there may be *inter alia* (i) time and cost overrun in relation to completion and operationalisation of lines 1-3 of Phase 1 of Factory 3.0, (ii) risks in relation to obtaining required approvals from governmental authorities in a timely manner, (iii) technological risks, (iv) force majeure events, etc. The above-mentioned issues may arise due to lack of availability of funds, improper implementation, dependence on third parties regarding machineries and software. Further, if the required government approvals are not obtained in a timely manner, it can cause delay in initiating production or installation of machineries, in relation to Phase 1. Any delay in financing this project could significantly delay our plans to expand our operations and achieve economies of scale for our E2Ws.

50. *The functioning of our electric two-wheelers is highly dependent on the health and functioning of key components, such as our battery packs. If customers perceive the cost of replacing these components in our electric two-wheelers to be high, they may choose not to purchase our electric two-wheelers.*

Our E2Ws are comprised of key components such as our battery packs, and the functioning of our E2Ws depends heavily on the state of health of these components. Our battery packs constitute a significant portion of our BOM. For instance, the battery pack made up 29% of the BOM for the Ather 450X (2.9 kWh) variant, as of December 31, 2024. The lithium-ion cells used in our battery packs are designed for single use, which means that they cannot be repaired or reused. Once the battery packs installed in our E2Ws reach the end of their lifecycles, they would need to be replaced.

Some of our customers may consider the cost of replacing the battery packs in our E2Ws to be high, and in such cases, they may elect to purchase other 2Ws instead. As a result, we may lose customers or experience a lower demand for our E2Ws, which will adversely impact our business and prospects.

51. *Compared to internal combustion engine two-wheelers, the network of service centres for electric two-wheelers have a much restricted geographical spread, which may deter customers from purchasing our electric two-wheelers.*

According to the CRISIL Report, E2W service centres have a much restricted geographical spread as compared to those available for ICE 2Ws. As a result, customers might be hesitant to purchase our E2W due to concerns about the availability and accessibility of repair and service centres compared to the well-established networks for ICE 2Ws. This perceived lack of support and service options for E2Ws could slow down the adoption of EVs as customers may prefer the security of the established ICE service infrastructure. These could, in turn, adversely affect our future sales, business, prospects, financial condition, results of operations and cash flows.

52. *We may not be able to prevent others from unauthorised use of our intellectual property and may in the future become subject to patent, trademark and/or other intellectual property infringement claims.*

We rely on a combination of trademarks, designs, patents, domain names, trade secrets, proprietary

technologies, and similar intellectual property to establish and protect our rights in our technology and intellectual property. The table below sets out the number of our registered intellectual property and pending applications, as at February 28, 2025.

| Intellectual Property | As at February 28, 2025 |
|--|--------------------------------|
| Registered intellectual property | |
| Patents | 45 |
| Design registrations | 201 |
| Trademarks | 303 |
| Pending applications in respect of intellectual property | |
| Patent applications | 303 |
| Design registration applications | 12 |
| Trademark applications | 102 |
| Total | 966 |

See “*Our Business – Other Business Description – Intellectual Property*” on page 313.

While we undertake to register our intellectual property, there is no assurance that such applications will be granted. An intellectual property registration granted to us may not be sufficient to protect our intellectual property rights. We may also be susceptible to claims from third-parties asserting infringement and other related claims. While we have not been subject to any material intellectual property claims in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there were instances of unauthorised usage of our intellectual property by third-parties in such periods. For instance, in the current Fiscal Year and the Fiscal Year 2024, an unauthorised party misused the ‘Ather’ brand name which is currently a registered trademark. Although all unauthorised trademark usages were remedied in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022 following the service of necessary notices, one matter on the infringement of our designs is open and ongoing. Further, monitoring unauthorised use of our intellectual property is difficult and costly, and the steps we will take to prevent misappropriation in the future may not be successful. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources. Implementation and enforcement of Indian laws relating to intellectual property have historically been deficient and ineffective, and may not be as effective as in the United States or other developed countries. Failure to defend, maintain or protect these rights could harm our business. Any unauthorised use of our intellectual property by third-parties may adversely affect our current and future revenues and our reputation.

We may in the future become party to additional, intellectual property infringement claims or proceedings. Companies, including our competitors, or individuals, may hold or obtain patents, trademarks or other proprietary or intellectual property rights that would prevent, limit or interfere with our ability to make, use, develop, sell, or market our E2Ws or EV accessories, which could make it more difficult for us to operate our business. From time to time, we may receive inquiries from holders of patents or trademarks inquiring whether we infringe their proprietary rights or may have lawsuits filed against us by holders of patents, trademarks, trade secrets or other intellectual property or proprietary rights alleging that we are infringing, misappropriating, diluting or otherwise violating their rights, or may be required to execute settlement agreements. Litigation or other legal proceedings relating to intellectual property claims, regardless of merit, may cause us to incur significant expenses and divert the attention and resources of our management and key personnel. If we are determined to have infringed upon a third-party’s intellectual property rights, we may be required to cease sales of the products that incorporate or use the intellectual property right under dispute, incur additional costs in redesigning our products, pay royalties, licensing fees or other damages or obtain a licence from the holder of the infringed intellectual property which may not be available on reasonable terms or at all. Such licences could be non-exclusive, thereby giving our competitors and other third-parties access to the same technologies licensed to us. Any of the foregoing events would adversely affect our business, prospects, financial condition, results of operations, and cash flows.

53. *Our business may be adversely affected by our failure to obtain, renew, or maintain the statutory and regulatory permits and approvals required.*

Operation of our R&D facilities and manufacturing facilities is contingent upon obtaining the required environmental and other operational permits and from various government entities. We currently possess all the requisite approvals to carry out our existing plans and operate our facilities. Further, our approvals

may expire from time to time and we may be required to make applications for such renewals. We are in process of updating the name of our Company (from erstwhile Ather Energy Private Limited) on certain approvals such as hazardous waste authorisations for our vehicle and battery plants at the Hosur Factory. Further, the construction or operation of Factory 3.0 and any future facility may require additional land use, environmental and operating permits. For details of the material licences, registrations and approvals for our Company, see **“Government and Other Approvals – Material Approvals obtained in relation to our Company”** on page 488. Further, for the details of approvals required in relation to Factory 3.0, see **“Objects of the Offer – Details of the Objects – Capital expenditure to be incurred by our Company for establishment of an E2W factory in Maharashtra, India – Government and other approvals”** on page 178. While we have not experienced any material delays, denials or restrictions on any of the applications for or assignment of the permits to operate our manufacturing facilities in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, we cannot assure you that we will not experience any such delays, denials or restrictions on any of the applications for or assignment of the permits to operate our facility or any future facility we may acquire or construct. Such events could adversely affect our ability to execute on our business plans and objectives.

54. *We are subject to various environmental, health and safety laws and regulations and failure to comply with such laws and regulations could subject us to fines, penalties, suspensions or revocations of our permits and other consequences.*

Our manufacturing facilities are subject to a wide range of increasingly strict environmental, health and safety laws and regulations in India, including the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act 1981, the Environment Protection Act 1986 and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, the Battery Waste Management Rules, 2022, the E-Waste Management Rules, 2022, the Plastic Waste Management Rules, 2016, as well as the rules and regulations implemented thereunder. Such laws and regulations address, among other things, air emissions, wastewater discharges, releases into the environment, human exposure to hazardous materials, the storage, treatment, transportation and disposal of wastes and hazardous materials, the investigation and clean-up of contamination, process safety, and the maintenance of health and safety conditions in the workplace, and impose certain restrictions or onerous conditions on our business operations. We are required to comply with applicable battery disposal regulations and may face issues with the disposal and recycling of our lithium-ion cells and battery modules. For example, under the Battery Waste Management Rules, 2022, as a producer of EV batteries, we are responsible for the batteries that we introduce into the market, including ensuring that the batteries are recycled and/or refurbished. Furthermore, many of our operating permits require that we comply with applicable environmental, health and safety laws and regulations. While we are not aware of any violations of applicable environmental, health or safety requirements in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there is no assurance that we will be able to remain in compliance. Violations of such laws and regulations could subject us to significant fines and penalties, the suspension, revocation or non-renewal of our permits, production delays or limitations, imprisonment, or the closure of our plants. We have incurred, and will continue to incur, substantial ongoing capital and operating expenditures to ensure compliance with applicable environmental, health and safety laws and regulations. For further details in connection with the applicable regulatory and legal framework within which we operate, see **“Key Regulations and Policies in India”** beginning on page 317.

55. *Our use of open source software in our applications can subject our proprietary software to general release and subject us to litigation, claims or proceedings.*

Our development and deployment processes for our E2Ws incorporate open source software, which carries the risk of potential claims from third-parties alleging infringement or non-compliance with open source licensing terms. While we are not aware of any such claims made against us in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, we cannot assure you that we will not be subject to such challenges in the future. While we will monitor the use of open source software and try to ensure that open source software is not used in a manner that would subject our proprietary source code to general release and restrictions, such use could occur as open source licence terms are often ambiguous and have generally not been interpreted by Indian or foreign courts.

The technical and legal risks associated with using open source software can be higher than those associated with using commercially licensed third-party software. Our reliance on open source software for certain parts of our platform means that any undetected errors or defects could disrupt our deployment

or compromise the functionality of our systems, potentially damaging our reputation. Moreover, the publicly accessible nature of open source software could make it easier for malicious parties to launch cyber-attacks against our platform. While none of the foregoing risks have materialised in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, if such risks materialise in the future, our business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected.

56. Failure to renew our leases or service agreements, or secure new leases for our manufacturing facilities, experience centres, research and development facilities and Registered, Corporate and zonal offices could cause business disruptions.

Our Registered Office, Corporate Office, zonal offices, manufacturing facilities and R&D facilities in India are located on leased properties or licenced under service agreements. While all lease deeds for the premises are adequately stamped and registered, we cannot assure you that this will continue to be the case in the future. We typically renew these lease agreements and deeds, and service agreements periodically, as part of our regular business practice, but there is no assurance that future renewals will be concluded on commercially acceptable terms. Should any of our leases or service agreements be terminated or not renewed by the respective lessor or licensor, it could lead to significant disruptions to our business activities.

We cannot assure you that we will be able to find suitable alternative locations on terms that are commercially viable, or at all. Additionally, any regulatory non-compliance by our landlords, or any negative changes to their title or ownership rights to the properties, could cause substantial operational disruptions and reputational harms, particularly if we are compelled to vacate the premises as a result of such issues. An increase in our rent and associated costs, such as set up and interior decoration costs, without a corresponding increase in sales could result in a materially adverse effect on our profitability, cash flow and overall financial performance.

57. If we are unable to comply with repayment and other covenants in our financing agreements, our business, financial condition and cash flows could be adversely affected.

We have entered into short-term and long-term loan agreements with certain banks, non-banking financial institutions and alternate investment funds. As of December 31, 2024, we had total outstanding borrowings (consisting of long-term borrowings and short-term borrowings) of ₹5,216 million (excluding proceeds from Series G CCPS of ₹6,000 million to be converted into Equity Shares, as at December 31, 2024. Subsequently, Series G CCPS were converted into Equity Shares pursuant to a Board resolution dated March 8, 2025). The following table summarises our total borrowings on a consolidated basis as at the dates indicated.

| | As at December 31, 2024 | 2024 (₹ million) | As at March 31, 2023 | 2022 |
|--|----------------------------|---------------------|-------------------------|--------------|
| Long-term borrowings | 1,602 | 309 | 1,205 | 1,087 |
| Short-term borrowings | 3,614* | 2,840 | 3,647 | 1,897 |
| Total | 5,216* | 3,149 | 4,852 | 2,984 |
| Total borrowings as a % of total equity | 483% | 58% | 79% | 133% |

*Excluding proceeds from Series G CCPS of ₹6,000 million to be converted into Equity Shares as at December 31, 2024, as at December 31, 2024. Subsequently, Series G CCPS were converted into Equity Shares pursuant to a Board resolution dated March 8, 2025.

For further details see “**Financial Indebtedness**” on page 474.

Certain of our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters such as amending our constitutional documents, altering our capital structure, changing our shareholding, any further issuances of shares, changing the management, dilution of Promoters’ shareholding, and change in the composition of the board of directors and undertaking any new business, operations or projects or substantial expansion of any current business, operations or projects. Further, in terms of security, we are required to create a hypothecation of our movable properties, including present and future current assets, stocks of raw materials, goods in process, semi-finished goods, finished goods, book debts at our Registered and Corporate Office, present and future book charge on the brand, intangibles of technology stock and product. Additionally, we are required to, among others, maintain the total outstanding liabilities to tangible net worth ratio, cash burn coverage, net debt to tangible net worth ratio, current ratio, minimum

unencumbered cash, cap on long-term debt and cap on net debt. While instances of non-compliance in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022 have not been material and we have received all necessary waivers from the relevant lenders, there can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business in the future. Any fluctuations in the interest rates assigned to our debt instruments may also directly impact the interest costs of our loans. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt in the future.

For the purpose of the Offer, the intimations to and consents from our lenders as required under the relevant loan documents for undertaking activities relating to the Offer have been obtained. A failure to observe the covenants under the financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, foreclosure on our assets such as our manufacturing plants, acceleration of all amounts due under such facilities, trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct our business and implement our business plans.

58. *The Ather Grid may not be interoperable with other electric vehicle players' charging infrastructure, and this may deter potential customers from purchasing our electric two-wheelers.*

Our charging connector technology (the LECCS) and protocol are recognised as an official Indian standard, having been published by the Bureau of Indian Standards ("BIS") in August 2023 and March 2024, respectively, and further adopted by, among others, Hero MotoCorp Limited. Nonetheless, there is no assurance that other players will not adopt a different charging standard. If other EV players adopt a different charging standard that is not compatible with our E2Ws, our customers will have limited access to the public charging infrastructures available in India and face difficulties in charging their E2Ws during commute, due to their dependency on the Ather Grid and other LECCS chargers. This may reduce the demand for our E2Ws as well as the demand for the Ather Grid charging services outside our existing customer base.

To the extent that we are unable to meet our customers' expectations or experience difficulties with providing accessible charging solutions, our business, prospects, financial condition, results of operations and cash flows may be materially and adversely affected. For further details on our charging infrastructure, please see "***Our Business – Other Business Description – Our Charging Infrastructure***" on page 293.

59. *The power used to charge our electric two-wheeler battery packs are partly generated by non-renewable sources and the use of these may not be environmentally sustainable.*

Our Company and our customers partly use non-renewable energy sources to charge our E2Ws. The use of such non-renewable energies to power our E2Ws may have a negative impact on the environment. In addition, the perceived environmental costs of charging E2W batteries may deter customers who are originally drawn to E2Ws for their environmentally friendly reputation. This could impact the demand for our E2Ws as customers may instead choose to purchase ICE 2Ws, which could result in a decrease in the sales of our E2Ws thus adversely impacting our business, prospects, financial condition, results of operations and cash flows.

60. *The manufacturing of our electric two-wheelers and later discharge of our battery packs are associated with environmental hazards, especially given that our lithium-ion cells are not designed to be repaired or reused.*

The manufacturing of E2Ws can have significant environmental impacts. These include air pollution from the mining of raw materials required for our lithium-ion cells, large volumes of water consumed

during the mining process and the sizeable carbon footprint from the transportation of the lithium-ion cells to our facilities to be assembled into battery packs. In addition, as our lithium-ion cells are designed for one-time use and therefore cannot be repaired or reused, the improper disposal or improper recycling of such cells may result in the release of hazardous waste material into the environment, posing risks of toxic exposure to humans and potential contamination of natural habitats. According to the CRISIL Report, the net carbon dioxide emissions from an E2W is three tonnes during its entire lifecycle as compared to 4.8 tonnes for an ICE 2W.

While no material instances of environmental harm have occurred in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, should our E2Ws or their manufacturing processes cause environmental harm that exceeds the parameters set by relevant laws and regulations, we could face substantial monetary fines and penalties, the suspension, revocation or non-renewal of our permits, production delays or limitations, imposition of terms of imprisonment, or the closure of our plants. For further details, please see “– *We are subject to various environmental, health and safety laws and regulations and failure to comply with such laws and regulations could subject us to fines, penalties, suspensions or revocations of our permits and other consequences*” on page 83.

- 61. *There may be challenges in setting up and conducting operations of Factory 3.0 in Chhatrapati Sambhajnagar, owing to unfamiliar geographical considerations for us, lack of developed ecosystem of EV players and uncertainty in respect of continued supplies, which may lead to delays or disruptions in its construction and affect its operation.***

We are in the process of constructing Factory 3.0 in Chhatrapati Sambhajnagar, which is a relatively new geography for us in terms of manufacturing and operations. Since we do not have an established ecosystem of suppliers and EV players in and around Chhatrapati Sambhajnagar, we may face disruptions in the continued supply of raw materials and resources for our operations, difficulties in locating and building a network of service providers to support our day-to-day operations and in finding and retaining the right talent pool at the new location. There may also be delays or disruptions in the construction of Factory 3.0 which could adversely impact commencement of Factory 3.0 and its operations.

- 62. *Customers may face difficulties charging their electric two-wheelers, particularly during long distance travels, as a result of inadequate access to public charging infrastructure. This in turn, could materially and adversely affect demand for our electric two-wheelers.***

According to the CRISIL Report, one of the major hurdles in adoption of EVs in India is the unavailability and slow development of public charging infrastructure. While E2Ws are sold with dedicated personal chargers, India’s current limited public charging infrastructure poses a threat to the mass adoption of EVs primarily due to, among others, the anxiety of being unable to find a functional charger in case of sudden need, according to the CRISIL Report. As of December 31, 2024, we had established 2,583 fast chargers and 666 neighbourhood chargers in India. In addition, pursuant to our arrangements with HMCL, our customers have access to HMCL’s charging infrastructure, providing them with access to over 3,500 public fast chargers across India, including the Ather Grid, as of December 31, 2024, according to the CRISIL Report. For further details on our charging infrastructure, please see “*Our Business – Other Business Description – Our Charging Infrastructure*” on page 293.

However, the development of public charging infrastructure in India may be slow or experience delays, limiting the availability of public chargers for EV users. This can be particularly problematic for customers wishing to charge their E2Ws during long distance travels. If customers anticipate difficulties in on-the-road charging, it may deter potential customers from purchasing our E2Ws and choose ICE alternatives instead. This in turn, would adversely affect our business, prospects, financial condition, results of operations and cash flows.

- 63. *We collect and process significant information about our customers and their vehicles and are subject to various laws, regulations, rules, policies and other obligations regarding cybersecurity, privacy, data protection and information security, and failure to comply with them, or any loss, unauthorised access or data leakage could subject us to significant reputational, financial, legal and operational consequences.***

Collection, possession, transmission and use of personal data subjects us to laws, rules and regulations in India relating to the collection, storage, use, sharing, disclosure, protection and security of personal

information, as well as requests from regulatory and government authorities relating to such data. In addition to the information we collect from our customers to complete a sale or transaction, we receive data from multiple sources such as, among others, the Ather app and our E2Ws. The data collected are processed by the Ather Data Platform, which gives us intelligence on customer cohort usage patterns, product performance, post-sales journey and charging insights.

Data collection and analysis help us customise and optimise the driving and riding experiences of our E2Ws and provide additional features such as Trip Planner. For example, we are required to comply with the Information Technology Act, 2000 and the rules notified thereunder, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011, which prescribe, *inter alia*, directions for the collection, disclosure, transfer and protection of sensitive personal data. We could become subject to similar burdens in other jurisdictions into which we expand our business, including requirements to notify relevant government agencies of any data breach and restrictions on our use of such information. While customer consent for the collection, utilisation and processing of their personal data for the provision of certain services in accordance with our privacy policy is obtained through our Company's purchase terms at the time of purchasing our E2Ws and upon registration for the Ather app, this consent can be subsequently withdrawn. The withdrawal of such consent, or a refusal by potential customers in the future to provide consent, may negatively impact our business.

These laws, rules, and regulations evolve frequently, and their scope may continually change, through new legislation, amendments to existing legislation, and changes in enforcement. For example, we are subject to the Digital Personal Data Protection Act, 2023 ("**Data Protection Act**"), which received the President's assent on August 11, 2023 and will come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this legislation. The Data Protection Act, when notified, would require data fiduciaries (persons who alone or in conjunction with other persons determine purpose and means of processing of personal data), such as us, to implement organisational and technical measures to ensure compliance with obligations imposed under the Data Protection Act, protect personal data and impose reasonable security safeguards to prevent breach of personal data and establish mechanism for redressal of grievances of data principals. In case we are notified as a significant data fiduciary under the Data Protection Act, we may have additional obligations imposed on us. Changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, such as the General Data Protection Regulation adopted by the European Union, or changes to the interpretation or enforcement of such laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could require us to modify our existing systems or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses.

We have, in the normal course of business, shared the personal data of our customers, employees or vendors with third-parties like SaaS platforms for carrying out various processes, including but not limited to analysing, storing, or optimisation. Although we have taken reasonable preventive measures under the applicable laws to protect such personal data, there is a possibility of theft or loss of the personal data in the possession of such third-parties on account of acts or omissions on their part. If such loss or theft of personal data from third-parties occurs, it may have a negative impact on our reputation and may also give rise to regulatory actions against us.

Compliance with such laws, rules and regulations can be expensive, and may place restrictions on the conduct of our business and the manner in which we interact with our customers. Failure to comply with applicable laws and regulations could result in regulatory enforcement actions against us. For example, our misuse of or failure to secure personal information could result in violation of data privacy laws and regulations, proceedings against us by governmental entities or others, and/or result in significant liability and damage to our reputation and credibility. These possibilities, if borne out, could have a negative impact on revenues and profits. We may face difficulties or delays in identifying or otherwise responding to any attacks or actual or potential security breaches or threats. A breach in our data security could create system disruptions or slowdowns and provide malicious parties with access to sensitive information stored on our networks, including information on our products, customers and suppliers, resulting in data being publicly disclosed, altered, lost, or stolen, which could subject us to liability and adversely impact our financial condition. Such security breaches could also adversely impact the safety of our retail partners, employees and customers. We may incur significant financial and operational costs to investigate, remediate and implement additional tools, devices and systems designed to prevent actual or

perceived privacy breaches and other privacy incidents, as well as costs to comply with any notification obligations resulting from any such incidents. While we are not aware of any material data breaches or similar losses to our systems in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, we cannot assure you that the security measures that we have implemented will be able to prevent such incidents from occurring. Any actual, alleged or perceived failure to prevent a security breach or to comply with our privacy policies or privacy-related legal obligations, on our part or that of our partners', or any other actual, alleged or perceived data security incident that we or our partners suffer, could damage our reputation, cause a loss in customers and sales and cause us to incur additional costs to remedy the issues, notify relevant regulators and/or affected individuals, and manage any resulting liabilities, regulatory investigations, enforcement actions or legal proceedings.

64. We have engaged in, and may continue to engage in, related party transactions, which could give rise to conflicts of interest.

We have in the course of our business entered into transactions with related parties. Details of the related party transactions with our Promoters, entities which our Promoters have significant influence over and our KMPs in the nine months ended December 31, 2024 and 2023 and in Fiscal Years 2024, 2023 and 2022 respectively, are set out below. These related party transactions were undertaken in compliance with applicable provisions of the Companies Act, 2013 and other applicable laws.

| Name of Related Party | | Name of Transaction | Nine months ended December 31, | | Fiscal Year | | |
|---------------------------|--|---------------------|--------------------------------|-------|-------------|-------|------|
| | | | 2024 | 2023 | 2024 | 2023 | 2022 |
| (₹ million) | | | | | | | |
| Tarun Sanjay Mehta | Issue of compulsorily convertible preference shares | 433 | - | - | - | - | |
| | Issue of equity shares on account of exercise of stock options | 107 | - | - | - | - | |
| | Settlement on account of exercise of stock options | 54 | - | - | - | - | |
| | Issue of bonus equity shares | 10 | - | - | - | - | |
| Swapnil Babanlal Jain | Issue of compulsorily convertible preference shares | 433 | - | - | - | - | |
| | Issue of equity shares on account of exercise of stock options | 107 | - | - | - | - | |
| | Settlement on account of exercise of stock options | 54 | - | - | - | - | |
| | Issue of bonus equity shares | 10 | - | - | - | - | |
| Mehta Family Trust | Issue of bonus equity shares | 1 | - | - | - | - | |
| Tarun Swarna Family Trust | Issue of bonus equity shares | 1 | - | - | - | - | |
| Swapnil Jain Family Trust | Issue of bonus equity shares | 1 | - | - | - | - | |
| Jain Family Trust | Issue of bonus equity shares | 1 | - | - | - | - | |
| Hero MotoCorp Limited | Issue of compulsorily convertible preference shares | - | 5,000 | 5,000 | 2,625 | - | |
| | Issue of equity shares on exercise of right to subscribe | - | - | - | - | 49 | |
| | Issue of bonus compulsorily convertible preference shares | - | 283 | 283 | - | - | |
| | Issue of bonus equity shares | 0* | - | - | - | - | |
| | Issue of compulsorily convertible preference shares on conversion of compulsorily Convertible debentures | - | - | - | 1,500 | - | |
| | Issue of compulsorily convertible debentures | - | - | - | - | 1,500 | |
| | Revenue from charging Infrastructure usage | 8 | - | 0* | - | - | |

| Name of Related Party | Name of Transaction | Nine months ended December 31, | | Fiscal Year | | |
|--|---|--------------------------------|-------|-------------|-------|-------|
| | | 2024 | 2023 | 2024 | 2023 | 2022 |
| | Expense on charging infrastructure usage | 5 | 0* | 1 | - | - |
| | Fair valuation impact of right to subscribe liability | - | (84) | (84) | 367 | 19 |
| Hero FinCorp Limited ⁽¹⁾ | Term loan taken | - | - | - | 1,500 | 1,300 |
| | Repayment of term loan | 806 | 763 | 1,064 | 1,319 | 445 |
| | Interest on term loan ⁽²⁾ | 74 | 172 | 216 | 175 | 253 |
| | Finance charges on relinquishment of right to subscribe liability | 5 | - | - | - | - |
| | Deposit given to / (refunded by) lender | (24) | (295) | (295) | 295 | - |
| | Interest subvention | 2 | 3 | 3 | - | - |
| | Commission income | - | 0* | 1 | - | - |
| | Fair valuation impact of right to subscribe liability | (25) | (12) | (12) | 22 | 10 |
| Neelam Dhawan | Sitting fee paid to Independent Directors | 1 | - | - | - | - |
| Sanjay Nayak | Sitting fee paid to Independent Directors | 0* | - | - | - | - |
| Kaushik Dutta | Sitting fee paid to Independent Directors | 1 | - | - | - | - |
| Managerial remuneration paid to key managerial personnel | Employee benefits ⁽³⁾ | 55 | 57 | 214 | 76 | 36 |
| | Share based payments** | 30 | 23 | 667 | 399 | 9 |

*Denotes an amount less than ₹0.5 million.

** Please refer to “Summary of the Offer Document – Summary of Related Party Transactions” on page 30.

Notes:

(1) Hero FinCorp Limited is an entity in which Hero MotoCorp Limited has significant influence.

(2) Excludes ₹5 million, ₹13 million, ₹16 million, ₹17 million and ₹10 million as of December 31, 2024, December 31, 2023, March 31, 2024, March 31, 2023 and March 31, 2022, respectively, charged to statement of profit and loss on account of effective interest rate calculation as per Ind AS.

(3) The actuarial valuation report of gratuity and compensated absence liabilities are taken for the entire Company without any bifurcation to any specific employee, hence it is not included in related party transaction.

(4) All related party transactions were entered at an arm's length basis and in the ordinary course of business.

For details of the related party transactions, see “**Restated Financial Information – Notes forming part of the Restated Financial Information – Note 36 – Related Party Disclosures**” on page 411.

As disclosed in the table above, we have entered into certain related party transactions with Hero MotoCorp Limited, one of our Promoters and Hero FinCorp Limited, our Group Company an entity in which Hero MotoCorp Limited has significant influence including in relation to certain borrowings availed by us. While we believe that all such transactions have been executed on an arm's length basis, we cannot guarantee you that these transactions were on the most advantageous terms possible compared to what we might have secured from unrelated parties. It is likely that we will engage in transactions with related parties in the future. While any such future transactions following our listing will be subject to approval by our Audit Committee, Board, or Shareholders as required by the Companies Act, 2013, and the SEBI Listing Regulations, we cannot ensure that all existing agreements and future transactions will serve the best interests of our Company and our minority shareholders or be fully compliant with the SEBI Listing Regulations. Whether individually or collectively, these transactions could potentially impact our financial status and operational results negatively.

Transactions with our related parties could potentially involve conflicts of interest, as the interests of such entities and their shareholders may not align with the interests of our Company and our shareholders, particularly in relation to the negotiation of, and certain other matters related to, our transactions with such entities. Conflicts of interest may also arise in connection with the exercise of contractual remedies under these transactions such as defaults. There can be no assurance that we will be able to address such conflicts of interest in the future.

65. Our insurance policies may not be sufficient to protect us from all business risks, and if our insurance coverage is inadequate, it may have an adverse effect on our business, financial condition and results of operations.

We maintain insurance which we believe to be typical in our industry in India and in amounts which we believe to be commercially appropriate for a variety of risks, including property insurance (inclusive of fire and special perils and burglary insurance), electronic equipment insurance, machinery breakdown insurance, portable electronics equipment insurance, money insurance, marine insurance, commercial general liability insurance, directors' and officers' liability insurance, cyber security insurance and crime insurance.

The following table summarises our gross insured assets as a percentage of total assets as at the dates indicated. For more details, see “**Our Business – Insurance**” on page 316.

| | As at December 31, 2024 | 2024 | As at March 31, 2023 | 2022 |
|---|----------------------------|------|-------------------------|------|
| Insured assets as a percentage of total assets ⁽¹⁾ | 27% | 20% | 25% | 26% |
| Insurance coverage as a percentage of the insured assets ⁽¹⁾ | 188% | 208% | 218% | 123% |

Note:

(1) Insured assets include gross property, plant and equipment (excluding vehicles) and inventories (excluding raw material in transit).

While we have not experienced any material uninsured liabilities in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there is no assurance that our insurance will adequately cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. As per our Restated Financial Information, we had no insurance claim receivables as of December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, respectively.

Our insurance policies contain exclusions and limitations on coverage, and, accordingly, we may not be insured for certain risks and may not be successful in asserting claims for part of, or the full amount of, any liability or losses. There can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable, or that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. We would be liable for any uninsured losses, which could result in an adverse effect on our business operations, financial conditions and results of operations. Even if we are able to successfully make a claim for our losses, we may be required to pay higher insurance premiums in the future. If we are unable to pass the effects of higher premiums to our customers, such additional costs could have a material adverse effect on our costs and profitability.

66. Management judgement is used when ascertaining our funding requirements and the proposed deployment of Net Proceeds. We have not entered into any definitive arrangements to utilise certain portions of the Net Proceeds of the Offer.

The Objects of the Offer have not been appraised by any bank or financial institution. Our funding requirement is based on management estimates, current state of our business and prevailing market conditions, which are subject to changes in external factors. These factors include financial and market conditions, market feedback and demand of our products, competition, business strategy and interest/exchange rate fluctuations, which may not be within the control of our management. Given the competitive landscape of our industry, there may be a need to periodically revise our business plan and management estimates, which could lead to changes in our funding needs. These internal estimates could vary from those that might be obtained through third-party appraisals, potentially necessitating adjustments to our expenditure projections, subject to applicable laws. See “**Objects of the Offer**” on page 166.

Should actual expenses exceed projections or if there is a shortfall in the required funds, we will seek additional capital by any means available, including internal accruals and securing further equity or debt financing. Such measures could negatively affect our business operations, financial performance, and cash flow. Investors in our Equity Shares are therefore relying on our management’s discretionary

judgements regarding the use of the Net Proceeds from the Offer.

Further, pursuant to Section 27 of the Companies Act, 2013 and other applicable law, a special resolution of the Shareholders and Promoters or controlling Shareholders is required for any variation in the Objects of the Offer. This provides an exit opportunity to the Shareholders who do not agree to vary the Objects of the Offer, at such price and in such manner in accordance with applicable law.

Our Company, in accordance with the applicable law and to attain the Objects set out above, will have the flexibility to deploy the Net Proceeds. Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily deposit the Net Proceeds with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. We will appoint a Monitoring Agency for monitoring the utilisation of Gross Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

67. There may be injuries sustained by people or damage to property within our manufacturing and research and development facilities.

Our manufacturing operations expose us to health and safety risks. Our factories require individuals to work with chemicals, equipment and other hazardous materials. We have implemented and plan to continue enforcing safety protocols and maintain adequate insurance coverage, including insurance policies for accidents. Further, our Company has obtained insurance policies for property including for machinery breakdown, fidelity guarantee, standard fire and special perils, and group health, group personal accident and group life insurance policies to protect employees in the case of injuries. Despite these measures, risks of unforeseen accidents, such as fires, explosions, electrical hazards or machinery accidents, occurring at one of our facilities remain pertinent. Such an accident or breach of safety standards could lead to injuries among our workforce, damage to property or equipment, production or shipment delays, environmental harm, or could necessitate a temporary halt in operations and result in liabilities. In such cases, the factory medical officer will typically examine and clear the worker when they return to work post recovery.

While we have not faced any material accidents or defaults in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there have been certain instances of minor injuries suffered by our factory workers. For example, in Fiscal Year 2024, two workers suffered minor finger injuries at the Hosur Factory and returned to work after recovering from their injuries and being cleared by the factory medical officer. Any such incidents in the future may result in disruption to our operation, legal and regulatory consequences and reputational damage, which may have a negative effect on our business, results of operations, financial condition, cash flows and prospects.

68. We have used information from the CRISIL Report which we commissioned and paid for exclusively in relation to the Offer and any reliance on information therein is subject to inherent risks.

For industry related data in this Red Herring Prospectus, we have derived the information from the CRISIL Report, which we commissioned and paid for, exclusively for the purpose of this Offer. The data included herein includes excerpts from the CRISIL Report and such excerpts may have been re-ordered by us for the purposes of presentation. There are no parts, data or information which may be relevant for the proposed Offer, that has been left out or changed in any manner. The information is subject to various limitations, highlights certain industry and market data relating to us and our competitors which may not be based on any standard methodology and is based upon certain assumptions that are subjective in nature. None of our Company, our Directors, our Promoter, our Key Managerial Personnel, our Senior Management or the BRLMs are related to CRISIL. Accordingly, investors should read the industry related disclosures in this Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. For further details, see “***Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data***” on page 17.

69. Our limited operating history makes it difficult for us to judge the exact nature and effect of seasonality on our business.

The performance of our business could fluctuate significantly between different time periods, due to various factors, including seasonal trends that may affect consumers' demand for our E2Ws, according to the CRISIL Report. Demand in the automotive industry typically peaks between January and March, reduces from April to July before increasing again during the festive seasons from September to December. Our Company was incorporated in 2013 and launched our first E2W in June 2018. Given our limited operating history, it is difficult for us to accurately predict the exact nature or effect of seasonality on our results of operations. Moreover, if the revenue generated from the sales of our E2Ws does not align with our projections, our business may be adversely affected as many of our operational costs are fixed and predicated on expected yearly revenue figures.

70. Certain of our Promoters, Directors, Key Managerial Personnel and Senior Management have interests in our Company in addition to their remuneration and reimbursement of expenses.

Certain of our Promoters, Directors, KMPs and Senior Management have interests in our Company beyond the reimbursement of expenses incurred and normal remuneration or benefits, including shareholdings. The shareholding of our Promoters as at the date of this Red Herring Prospectus is as follows:

| Name | Pre-Offer | |
|-----------------------|--|--|
| | Number of Equity Shares of face value of ₹ 1 | Percentage of pre-Offer Equity Share capital, on a fully diluted basis (%) |
| Tarun Sanjay Mehta | 20,517,732 | 6.81% |
| Swapnil Babanlal Jain | 20,517,732 | 6.81% |
| Hero MotoCorp Limited | 115,083,252 | 38.19% |
| Total | 156,118,716 | 51.80% |

See “*Summary of the Offer Document*”, “*Capital Structure*”, “*Our Management – Shareholding of our Directors in our Company*”, “*Our Promoter and Promoter Group – Interests of Promoters*” beginning on pages 21, 124, 339 and 356, respectively.

Their interest could be in the form of Equity Shares held by them as well as to the extent of any dividends, bonuses, or other distributions on such Equity Shares. In addition, Tarun Sanjay Mehta and Swapnil Babanlal Jain, two of our Promoters, have pledged 3,119,357 Equity Shares each, held by them, aggregating to 2.07% of the paid-up share capital of our Company on a fully-diluted basis, in favour of 360 ONE Prime Limited, (“**Lender**”) as security for a loan availed by them for the purpose of subscribing to certain securities of our Company. The pledged shares are not being offered in the Offer for Sale and have been temporarily released from pledge in order to comply with the requirements to the SEBI ICDR Regulations, subject to certain conditions mentioned in the letter from the Lender dated December 31, 2024 including: (i) re-pledge of the Equity Shares if the Red Herring Prospectus is not filed within 15 Working Days from the date of release of the pledge (ii) re-pledge of the Equity Shares if the Offer is not consummated, i.e., listing and trading of Equity Shares on the Stock Exchanges does not take place within 28 Working Days from the date of filing of the Red Herring Prospectus, and (iii) re-pledge of the Equity Shares, within three Working Days of the listing and trading of the Equity Shares pursuant to the Offer. For further details see, “*Capital Structure – History of the Share Capital held by the Promoters*” on page 147. In case of any default by Tarun Sanjay Mehta or Swapnil Babanlal Jain, the Lender may invoke the pledge and they may not be in control of the rights as a shareholder in relation to such pledged Equity Shares.

Our Promoter, Tarun Sanjay Mehta is the trustee of Mehta Family Trust and Tarun Swarna Family Trust. These entities form part of our Promoter Group holding 783,000 and 522,000 Equity Shares respectively in our Company. Our Promoter, Swapnil Babanlal Jain is the trustee of Jain Family Trust and Swapnil Jain Family Trust. These entities form part of the Promoter Group holding 652,500 Equity Shares each in our Company. Further our Director, Sanjay Nayak has contributed 0.11% of the aggregate unit holding of Alteria Capital Fund II - Scheme I and 0.39% of the aggregate unit holding of Alteria Capital Fund III - Scheme A. For further details, see “*Risk Factors – Our Corporate Promoter, Hero MotoCorp Limited, is a shareholder of companies that are in similar lines of business as us, and is itself engaged in a similar line of business as us. Further, certain Directors who are nominees of Hero MotoCorp Limited on our Board, are engaged in such business to the extent of being the senior management of Hero MotoCorp Limited. Any conflict of interest which may occur as a result could adversely affect our*”

business, prospects, results of operations and financial condition.”, “*Capital Structure*”, “*Our Management – Interests of Directors*”, “*Our Promoters and Promoter Group – Interests of Promoters*” beginning on pages 103, 124, 340 and 356, respectively.

71. *We track certain operational metrics and non-GAAP (generally accepted accounting principles) measures for our operations with internal systems and tools and do not independently verify such metrics. Certain of our operational metrics are subject to inherent challenges in measurement and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation.*

Certain of our operational metrics are prepared with internal systems and tools that are not independently verified by any third-party and which may differ from estimates or similar metrics published by third-parties due to differences in sources, methodologies, or the assumptions on which we rely. Such operational metrics include sales volumes, order fulfilment numbers and after sales service volumes. Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics under-count or over-count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our platform is used across large populations. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. Further, although information relating to installed capacities, historical production and capacity utilisation of the manufacturing facilities are verified by the independent chartered engineer, such verification is subject to assumptions and estimates that may not be accurate. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, financial condition and results of operations would be adversely affected.

Further, these operational metrics and other non-GAAP metrics presented in this Red Herring Prospectus, such as EBITDA, EBITDA Margin (%), Adjusted Gross Margin, Adjusted Gross Margin (%), Net Worth, Return on Net Worth (%), Net Asset Value per Equity Share, Profit / (Loss) For The Year Margin (%), Cost of Goods Sold and Working Capital Days are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Indian accounting standard (“**Ind AS**”), Indian GAAP, international financial reporting standards (“**IFRS**”) or United States generally accepted accounting principles (“**U.S. GAAP**”). Further, these metrics are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the period/year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. Although these non-GAAP metrics are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us, as these metrics are widely used to evaluate an entity’s operating performance. In addition, these are not standardised terms, hence a direct comparison of these measures between companies may not be possible. Other companies may calculate these measures differently from us, limiting its usefulness as a comparative measure.

72. *Our business may be adversely affected by labour unrest and union activities and any disputes with our workforce may disrupt our business operations.*

The following table sets out the total number of our current on-roll employees as at the dates indicated.

| | As at December 31, | | As at March 31, | |
|-------------------|--------------------|-------|-----------------|------|
| | 2024 | 2024 | 2023 | 2022 |
| On-roll employees | 1,575 | 1,458 | 1,487 | 820 |

See “*Our Business – Other Business Description – Employees*” on page 313.

None of our employees were members of labour unions as of December 31, 2024, though we cannot guarantee you that our employees will not join labour unions in the future. Union membership can result in higher employee costs, operational restrictions and increased risk of disruption to operations. Efforts

by our employees to modify compensation and other terms of employment may also divert management's attention and increase operating expenses or lead to production delays. While we have not experienced any disruptions in our operations due to disputes or other problems with our workforce in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022, there is no assurance that such problems will not arise. The occurrence of such events could materially and adversely affect our business, financial condition and results of operations.

We may also depend on other companies with unionised workforces, such as raw material and EV component suppliers, and trucking and freight companies. Any work stoppages or strikes organised by such unions, including contract labourers who are engaged by us for the production of our E2Ws, could have a material adverse impact on our business, prospects, financial condition, results of operations and cash flows.

In addition, while we do not engage third-party workforces directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our results of operations.

73. Our international operations and business expansions abroad may subject us to unfavourable regulatory, political, currency, tax, and labour conditions, which could harm our business, prospects, financial condition, results of operations, and cash flows.

In November 2023, we opened our first outlet in Kathmandu, Nepal through an authorised distributor. Further, in November 2024, we opened our first outlet in Colombo, Sri Lanka through an authorised distributor. As part of our business strategy, we plan to further expand our business into other international markets. Heightened geo-political and economic tensions may affect our ability to expand outside of India, which may also be affected by protectionist policies from the government of the target market. As we depend on certain EV components from suppliers, some of which are overseas, tariffs by the Indian government on such suppliers may also affect the cost of our products.

Conducting and launching international operations require close coordination of activities across multiple jurisdictions and time zones and consumes significant management resources. We will also be subject to a number of risks associated with international business activities that may increase our costs, impact our ability to sell our E2Ws and require significant management attention. These risks include:

- difficulties attracting customers in new jurisdictions;
- being subject to foreign government taxes, regulations and permit requirements, especially in relation to the incorporation of a company under foreign laws;
- difficulty in staffing and managing foreign operations and complying with foreign labour laws and regulation;
- conforming our E2Ws to applicable international regulatory requirements where our E2Ws are sold and serviced, which requirements may change over time;
- fluctuations in foreign currency exchange rates and interest rates, including risks related to any foreign currency swap or other hedging activities we may undertake;
- changes in diplomatic and trade relationships;
- United States and foreign government trade restrictions, tariffs and price or exchange controls;
- expenditures related to foreign lawsuits and liability;
- difficulties protecting or procuring intellectual property rights;
- laws and business practices favouring local companies;
- political instability, natural disasters, wars or events of terrorism and health epidemics and pandemics; and
- the strength of international economies.

If we fail to successfully address these risks, our business, prospects, financial condition, results of operations, and cash flows could be materially harmed.

74. We are subject to risks associated with exchange rate fluctuations, which can adversely affect our net profit, finance costs and margins.

Although our reporting currency is the Indian Rupee, we export some E2Ws and some EV components

and plan to further expand sales of our E2Ws into international markets. We also source certain EV components from foreign suppliers. As such, a portion of our revenue and expenses are denominated in foreign currencies, subjecting us to risks stemming from fluctuations in currency exchange rates. Any appreciation of the Indian Rupee would reduce the revenue received from exports, while any depreciation of the Indian Rupee would increase the cost of imported EV components. In addition, our use of import financing, whereby the loans are denominated in U.S. dollars, further expose us to foreign exchange rate fluctuations, which can affect our net profit, finance costs and margins. The following table sets out our exchange rate fluctuation losses, and as a percentage of revenue from operations for the periods indicated.

| | Nine months ended December 30, | | Fiscal Year | | |
|---|--|-------|-------------|-------|-------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | <i>(₹ million, unless otherwise indicated)</i> | | | | |
| Exchange rate fluctuation loss | 24 | 5 | 7 | 22 | 20 |
| Exchange rate fluctuation loss as a percentage of revenue from operations (%) | 0.15% | 0.04% | 0.04% | 0.12% | 0.49% |

See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Summary Results of Operations – Quantitative and Qualitative Disclosures about Market Risks*” on page 463.

To date, we do not have a hedging policy and have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited. In addition, the policies of the Reserve Bank of India (“**RBI**”) may change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our business, financial condition, cash flows and results of operations.

75. We may not be able to pay dividends in the future.

Our Company’s ability to distribute dividends will depend on internal factors such as earning stability, past dividend trends, free cash flow for the period under consideration, borrowing capacity, profitability of our Company during the period under consideration and external factors, including but not limited to the macro-economic environment, market conditions, prevailing legal requirements and regulatory conditions or restrictions laid down under the applicable laws including tax laws and industry outlook for business in which our Company operates. In addition, the ability of our Company to pay dividends may be impacted by a number of factors, including change in tax laws, restrictive covenants under the loans or financing arrangements our Company is currently availing of or may enter into to finance our funding requirements for our business activities. Further, our Company has not declared and paid any dividend in the nine months ended December 31, 2024 and in Fiscal Years 2024, 2023 and 2022 or up to the date of this Red Herring Prospectus. Decisions regarding the declaration and distribution of dividends are at the discretion of our Board and will be made in line with our dividend distribution policy. These decisions will be based on a variety of considerations that our Board considers pertinent, such as the factors outlined above. For further details, see “*Dividend Policy*” on page 358.

76. We have not been able to obtain records of all the prior work experience of certain of our Directors to supplement their past work experience. Accordingly, limited disclosure has been made for their profiles in this Red Herring Prospectus.

In relation to our Directors, Neelam Dhawan and Sanjay Nayak, we have not been able to trace complete records of their past work experience. Accordingly, we have limited the disclosure in respect of their aggregate years of their prior work experience in this Red Herring Prospectus. In this regard, see, “*Our Management – Brief profiles of our Directors*” on page 335.

77. There are certain outstanding legal proceedings against our Corporate Promoter, Hero MotoCorp Limited.

Our Corporate Promoter, HMCL has certain outstanding litigations against it including nine criminal proceedings, 74 tax proceedings and two regulatory and statutory actions, including one initiated by the Directorate of Enforcement, New Delhi collectively aggregating to ₹ 101,438.60 million (to the extent

quantifiable). This includes 30 direct tax and 44 indirect tax matters against our Corporate Promoter. Furthermore, HMCL has initiated one criminal proceeding. Additionally, there are certain matters pertaining to violations of Motor Vehicles Act, 1988, as amended, which have been reported, in which HMCL has been impleaded as a party before various courts and forums. For further details of such legal proceedings please see, “*Outstanding Litigation and Material Developments – III. Litigation involving our Promoters*” and “*- There are outstanding legal proceedings against our Company, Promoters as well as certain of our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, cash flows and reputation*” on pages 480 and 49, respectively.

EXTERNAL RISKS

Risks Related to India

78. Changing laws, rules and regulations and legal uncertainties in India may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition, cash flows and future prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Adverse modifications to, or changes in interpretations of, existing policies, laws, rules or regulations, or the introduction of new statutes, rules or regulations (including those related to foreign investment and stamp duty) that govern our business activities could lead to our operations being considered as non-compliant or adversely affect our business, prospects and operating results. For example, regulatory authorities in India and abroad may introduce new rules or policies, or pass new legislations that impact EVs or the broader automotive sector. Such circumstances could result in additional compliance obligations, necessitating us to secure further approvals and licences from relevant government and regulatory agencies, who may impose stringent conditions. It could also cause uncertainty in our business practices, potentially disrupting our operations. Adapting to such changes could result in higher costs and additional demands on our management and resources. Any lapses in compliance could negatively impact our business operations, financial performance, cash flow, and growth prospects.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019 (“**Wages Code**”); (b) the Code on Social Security, 2020 (“**Social Security Code**”); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the “**Labour Codes**”) which consolidate, subsume and replace numerous existing central labour legislations. The Government of India has postponed the enactment of the respective Labour Codes, and they shall come into force from such dates as may be notified. It is possible that different provisions within the Labour Codes may come into effect at various times. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, their introduction could potentially increase our Company’s financial obligations, negatively affecting our profit margins. We have not yet fully assessed the impact that these or similar laws might have on our business operations, which could potentially limit our ability to expand in the future. For instance, the Social Security Code is designed to standardise social security benefits for employees, which were previously divided under various acts with differing scopes and coverage. Additionally, the Wages Code restricts the portion of wages that can be excluded from calculations for employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the total wages paid to employees. The enforcement of these laws could lead to higher employee and labour costs, which in turn could have a detrimental effect on our operational results, cash flow, business, and overall financial health.

Further, pursuant to the Finance (No.2) Act of 2024, notified on August 16, 2024, the Government of India has introduced new income tax slabs, an increase in standard deduction and an increase in the deduction available in respect of private sector employer’s contribution to National Pension Scheme from 10% to 14% of the salary of the concerned employees. Further, by way of the Finance Act, 2025, the Government of India has proposed new income tax slabs and marginal tax rates against those slabs. There is no certainty on the impact of the full union budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate.

79. Failure to comply with the terms of the Battery Waste Management Rules in recycling and refurbishing used batteries could subject us to environment compensation.

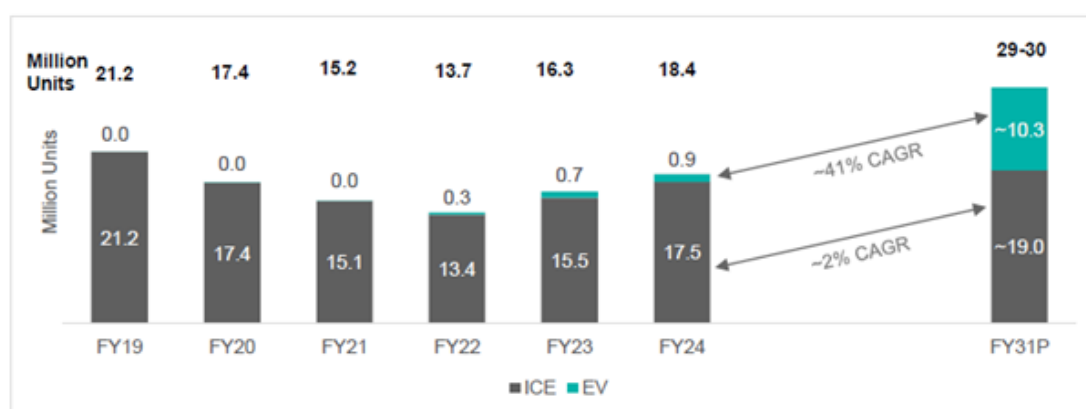
Pursuant to the Battery Waste Management Rules, 2022, in relation to EV batteries, a producer has the obligation of extended producer responsibility for the batteries they introduce into the market, to ensure the attainment of the recycling or refurbishing obligations. We have tie-ups with third-party vendors for battery end-of-life recycling. The Central Pollution Control Board issued guidelines for environment compensation dated September 10, 2024, under Battery Waste Management Rules, 2022 for hazardous waste, batteries, and e-waste. The Battery Waste Management Rules, 2022, sets out various environment compensation for the non-compliances in relation to the EPR targets and the Battery Waste Management Rules depending on the nature of violation and violators. While we have not experienced any material non-compliances with the Battery Waste Management Rules in the nine months ended December 31, 2024 and Fiscals 2024, 2023 and 2022, there is no assurance that such issues will not arise in the future. Any changes in applicable regulations relating to battery recycling or vehicle scrappage, or interpretations thereof, may cause us to incur additional compliance costs.

For further details in connection with the applicable regulatory and legal framework within which we operate, see “**Key Regulations and Policies in India**” beginning on page 317.

80. While the Indian E2W market is expected to grow at a CAGR of approximately 41% by Fiscal 2031, according to the CRISIL Report, there is no assurance that the market will grow at such pace. Slower growth of the Indian E2W market could adversely affect the growth of our business and revenues.

According to the CRISIL Report, the Indian E2W market is expected to grow at a CAGR of approximately 41% from 0.9 million units in Fiscal 2024 to 10.3 million units (approximately) by Fiscal 2031, while the ICE two-wheeler market is expected to grow at a CAGR of 2% from 17.5 million units in Fiscal 2024 to 19.0 million units by Fiscal 2031. A sizeable portion of the ICE scooter replacement demand will shift towards the electric variants, according to the CRISIL Report.

Domestic two-wheeler industry powertrain wise outlook



Source: CRISIL Report

Note: Figures above the graph showcase the total sales, outlook is for the base case scenario.

Nonetheless, there is no assurance that such growth will be achieved or that customers will increasingly prefer EV scooters over ICE scooters. See “- **Our future growth is dependent on the demand for and adoption of electric two-wheelers. If the market does not develop as we expect, or develops at a speed that is slower than anticipated, our business, prospects, financial condition and operating results will be affected.**” on page 47 for factors that may influence the adoption of EVs.

81. Challenging economic conditions may affect consumer demand for new vehicles, particularly electric vehicles.

Economic conditions in India have a significant impact on our revenues and financial results as we derive a majority of our revenues from India. Economic conditions in India are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in India. Our revenue and profitability are strongly correlated to

discretionary consumer spending, which is influenced by general economic conditions, unemployment levels, the availability of discretionary income and consumer confidence. Recessionary economic cycles, a protracted slowdown or worsening of the global or Indian economy, increased unemployment in India, rising interest rates or other industry-wide cost pressures could also affect consumer behaviour and lead to a decline in our sales and earnings. Discretionary consumer spending also is affected by other factors, including changes in tax rates and tax credits, interest rates and the availability and terms of consumer credit. During future periods of economic weakness, we may experience a decline in the demand for our E2Ws, which could harm our business, prospects and operating results. Accordingly, any events that have a negative effect on the Indian economy or on foreign economies or that negatively affect consumer confidence in the economy, including disruptions in credit and stock markets, and actual or perceived economic slowdowns, may harm our business, prospects and operating results.

82. Indian financial markets could be subject to increased volatility due to financial instability in other countries.

Our business operations and primary market are predominantly concentrated in India, a country whose economic landscape is affected by global market trends, especially those in emerging Asian economies.

While each country's economic conditions are unique, investor sentiment in one country can negatively impact the securities market in another. Historically, several Asian currencies have experienced devaluation against the U.S. Dollar due to a variety of factors. A decline in investor confidence in the financial systems of other emerging markets could lead to heightened volatility in India's financial markets and indirectly affect the Indian economy in general. Global financial instability could also adversely influence the Indian economy, potentially affecting our business, future financial performance, and the value of our Equity Shares. Additionally, concerns about trade conflicts between major economies, including increased tariffs, could lead to greater risk aversion and volatility in the global capital markets, which may, in turn, impact the Indian economy.

China is one of India's significant trade partners, and any economic downturn in China or adverse developments in the bilateral relationship could negatively affect trade between the two nations. Our Company and our suppliers import certain components for E2Ws from China; therefore, any tension in trade relations between India and China could disrupt the supply of these components. Such disruptions could have a detrimental effect on our business operations, financial health, and operational results.

The global credit and equity markets have occasionally faced severe dislocations, liquidity issues, and market corrections. In response to these events, policymakers and regulators in various countries, including the United States and India, have enacted measures aimed at stabilising the financial markets. The long-term effects of these legislative and regulatory actions on the global financial markets remain unclear, and may not achieve the desired effect of market stabilisation. Should the current challenges in the global credit markets persist or if significant financial disruptions arise, these conditions could negatively impact our business, future financial performance, and the trading price of our Equity Shares.

83. Increase in Indian inflation may lead to increased costs and a decline in profits.

We may experience inflation volatility in India and continue to face historically persistent high inflation rates. Escalating inflation may increase interest rates and operational costs, including transportation, salaries, and other business-related expenses, negatively impacting our financial health. Inflationary pressures could also complicate cost estimation and management. Should operating expenses rise due to inflation, our inability to fully transfer these costs to customers could adversely affect our profitability and financial standing. Moreover, inflation-induced interest rate rises could slow economic growth and credit expansion, further straining our financial performance. Our future success depends on our ability to increase revenue to counterbalance inflation-related cost hikes, failing which our business prospects, financial condition, operational results, and cash flow could suffer. Although the Government of India has implemented measures to mitigate inflation, there can be no assurance that these measures remain effective.

84. Events beyond our control such as natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks and civil unrest could materially and adversely affect our business.

Our business, financial condition, and operational results are susceptible to risks from natural disasters like typhoons, droughts, floods, monsoons, earthquakes, and fires, as well as global health crises,

including epidemics and pandemics such as COVID-19. Additionally, geopolitical conflicts, including the Russia-Ukraine war and Israel-Gaza unrest, acts of war, terrorism, civil disturbances, and economic instability can materially disrupt our operations. These events, often beyond our control, may result in property repairs, personnel evacuation, or operational suspension. Geopolitical tensions, such as those arising from conflicts between Russia and Ukraine or Israel and Hamas, could lead to embargoes, airspace restrictions, or retaliatory actions against companies, with unpredictable impacts on our business. Such incidents could hinder our production, disrupt our technology systems or platform, affect sales, and result in unforeseen expenses or delays, such as disruptions in our delivery schedule. Consequently, these factors could have a material adverse effect on our business, financial condition, and results of operations.

85. *Any domestic or international rating agencies' downgrade of India's debt rating could adversely affect our business.*

Several factors could lead to a downgrade of India's sovereign debt rating, including changes in tax or fiscal policies or a decrease in India's foreign exchange reserves, all of which are beyond our Company's control. Should international rating agencies revise India's creditworthiness for domestic or international debt, it could significantly affect our ability to secure additional external financing and the terms of such financing, particularly from international markets.

Our Company's ability to access debt capital markets and our cost of borrowing are heavily reliant on India's credit ratings. As of recent assessments, India's sovereign credit rating was affirmed at Baa3 with a "stable" outlook by Moody's in August 2023 and affirmed as BBB- with a "stable" outlook by Fitch in August 2024, and confirmed as BBB "low" by DBRS in May 2023. Additionally, S&P rated India's long-term sovereign credit as BBB- and short-term as A-3, both with a "stable" outlook. Any negative adjustments to these ratings could impair our ability to obtain additional financing on favourable terms, or any at all. Such a downgrade could be triggered by changes in the government's tax or fiscal policies, over which we have no control. Such downgrade and consequently, our overall financial health may also be. This may negatively impact our business operations, cash flow, financial condition, and the valuation of our Equity Shares.

86. *Indian law investment restrictions imposed on foreign investors may limit our ability to attract such investors, which can adversely impact the market price of our Equity Shares.*

Currently, Indian foreign exchange regulations allow for the transfer of shares between non-residents and residents, provided they adhere to sector-specific norms, certain restrictions and meet the RBI's pricing guidelines and reporting requirements. Should a share transfer not align with these guidelines, requirements, or fall under specific exceptions, prior regulatory approval is necessary. Moreover, foreign investments are generally permitted across various sectors of the Indian economy without caps or the need for prior approvals, except where specifically restricted. However, foreign investors must comply with certain procedures prescribed for such investments. The RBI, along with relevant ministries and departments, are responsible for such approvals.

Shareholders intending to convert the Rupee proceeds from the sale of shares into foreign currency and repatriate it out of India must obtain either a no-objection certificate or a tax clearance certificate from the Indian income tax authorities. This conversion is contingent upon the shares being held on a repatriable basis and the sale being conducted in accordance with the pricing guidelines or with the necessary regulatory approval for both the sale and the remittance of sale proceeds.

Additionally, as per the Press Note No. 3 (2020 Series) issued by the Department for Promotion of Industry and Internal Trade ("DPIIT") on April 17, 2020, investments from beneficial owners in countries that share a land border with India are subject to government approval. This also applies to any change in beneficial ownership of existing or future foreign direct investments in an Indian entity, which results in the ownership falling under the aforementioned restrictions, necessitating the Government of India's approval. The Ministry of Finance further amended the FEMA Non-debt Instruments Rules on April 22, 2020, to reflect this change. We cannot guarantee that the necessary approvals from the RBI or other government agencies will be granted under specific terms, conditions, or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 541.

87. *Investors may have difficulty enforcing foreign judgements against us or our management.*

Our Company is incorporated under the laws of India and all of our Directors are residents of India. All of our Company's assets are located in India. As a result, it may not be possible for investors outside of India to effect service of process on us or such persons from their respective jurisdictions outside of India, or to enforce against them judgements obtained in courts outside of India predicated upon our civil liabilities or our Directors under laws other than Indian Law.

Recognition and enforcement of foreign judgements is provided for under Sections 13 and 44A of the Code of Civil Procedure, 1908 ("CPC"). India is not a party to any international treaties in relation to the recognition or enforcement of foreign judgements. India has reciprocal recognition and enforcement of judgements in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong SAR. In order to be enforceable, a judgement from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only allows for the enforcement and execution of monetary judgements that are not related to taxes, other governmental levies, fines or penalties from reciprocating territories. Judgements or decrees from countries that do not have a reciprocal arrangement with India, such as the United States, cannot be executed through Indian legal proceedings. If a party receives a final judgement for monetary compensation from a court in a non-reciprocating territory, they have the option to initiate a new lawsuit in an Indian court based on that judgement, provided they do so within three years of the judgement date. However, it is improbable that an Indian court would grant damages in the same manner as the foreign court if a case were filed in India. Moreover, Indian courts are unlikely to enforce foreign judgements that they consider to be excessive or in conflict with Indian public policy.

88. *Indian accounting standard ("Ind AS") and other accounting principles, such as international financial reporting standards ("IFRS") and United States generally accepted accounting principles ("US GAAP") have significant differences, which may be material to investors' assessments of our financial condition.*

For the purposes of disclosure in this Red Herring Prospectus, the SEBI ICDR Regulations requires us to prepare and present our Restated Financial Information. This Restated Financial Information has been derived from our audited financial statements for the Fiscal Years 2024, 2023 and 2022, and prepared in accordance with the Ind AS. Ind AS differs from other accounting frameworks that potential investors might be more accustomed to, such as Indian GAAP, IFRS, or U.S. GAAP. We have not measured the potential effect of U.S. GAAP or IFRS on the financial data presented herein, nor have we reconciled our financial statements to those standards.

The relevance of the audited financial statements in the nine months ended December 31, 2024, the nine months ended December 31, 2023, and in Fiscal Years 2024, 2023 and 2022 prepared in accordance with Ind AS, which are restated as per the requirements of the Companies Act, SEBI ICDR Regulations, and the Guidance Note on Reports in Company's Prospectuses (Revised 2019) by the ICAI, is dependent on the reader's familiarity with Indian accounting practices. Those not familiar with Indian accounting standards should exercise caution when relying on the financial information provided in this Red Herring Prospectus. We also advise prospective investors to review the specific accounting policies used to prepare our financial statements and to consult with professional advisors to better understand the differences between Ind AS and other accounting principles that they may be more familiar with.

89. *We may be affected by competition law in India.*

The Competition Act, 2002 ("**Competition Act**") regulates activities that have an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). It addresses any anti-competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an AAEC. Agreements between competitors that involve price-fixing, limiting production or supply, market sharing, or any other activity that leads to bid-rigging or collusive bidding are typically assumed to adversely affect competition. Additionally, the Competition Act prohibits the abuse of a dominant market position by any enterprise. Under the merger control regulations of the Act, certain acquisitions, mergers, or amalgamations that exceed specified asset and turnover thresholds must be notified to and approved by the Competition Commission of India ("**CCI**") before they can proceed. Violations of the Competition Act can result in significant financial penalties.

The Competition (Amendment) Act, 2023, which came into force on April 11, 2023, grants the CCI greater authority to prevent practices that harm competition and consumer interests, aims to facilitate the ease of doing business in India and promotes transparency. Among other changes, the amendment adjusts

the criteria for determining the AAEC, shortens the time frame for the CCI to review mergers, and allows the CCI to levy penalties based on the global turnover for anti-competitive agreements and abuse of dominance.

Given that the Competition Act seeks to prevent any agreements or transactions that may negatively affect competition in India, all of our agreements could fall under its purview. The CCI also has jurisdiction beyond India's borders to investigate any agreements or behaviours occurring outside the country if such agreement has an AAEC in India. However, the implications of the Competition Act on our agreements are not entirely certain. We are not currently party to any legal proceedings, nor have we received any notices regarding non-compliance with the Competition Act. The interpretation or application of the Competition Act to any future mergers, acquisitions, or amalgamations we propose, as well as any enforcement actions initiated by the CCI or negative publicity arising from such scrutiny, could potentially impact our business operations, financial condition and results of operations.

90. *Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

91. *Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.*

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures aimed at maintaining market integrity and protecting investors interests. To further these objectives, SEBI and the Stock Exchanges have introduced the ASM and GSM. These measures apply to the securities of companies based on a set of objective criteria, including significant fluctuations in price and trading volume, high concentration of trading by certain client accounts, average delivery percentage, and securities experiencing unusual price increases that are not aligned with the company's financial health and fundamentals, such as earnings, book value, fixed assets, net worth, price-to-earnings ratio, and market capitalisation.

Upon listing, our Equity Shares will be subject to varying market conditions and other factors that could lead to substantial price volatility, low trading volumes, and a high concentration of trading by certain client accounts. If any of these factors occur, or if other conditions arise, they may activate the thresholds set by SEBI and the Stock Exchanges for placing our securities under the ASM and/or GSM frameworks or other surveillance measures. This could lead to significant trading restrictions being imposed on our Equity Shares by SEBI and the Stock Exchanges. Such restrictions might include higher margin requirements, trade-for-trade settlement without netting off, limitations on trading frequency, reduced price bands, settlement on a gross basis or a freeze on the upper price limit during trading. Our Equity Shares may also be listed on the surveillance dashboards of the Stock Exchanges. The imposition of these trading restrictions and limitations could negatively impact the market price, trading activity, and liquidity of our Equity Shares, as well as our Company's reputation and conditions. Such events could divert the attention of our management, potentially harm our reputation, and lead to a decrease in the market price of our Equity Shares. This, in turn, could result in prospective investors experiencing a partial or total loss of their investment.

92. *We have made bonus issuances of Equity Shares and of Preference Shares in the past, and we cannot guarantee that we will be able to make such issuances in the future*

In the past, our Company has made certain bonus issuances of Equity Shares and of Preference Shares, in compliance with applicable provisions of the Companies Act. For instance, on December 7, 2023, we

issued bonus CCPS of face value of ₹ 10 each to holders of certain series of CCPS. Further on June 22, 2024 we undertook bonus issues of equity shares of ₹ 1 each, in the ratio of 224:1 (in respect of outstanding equity shares of face value of ₹ 37 each as on the record date i.e., June 21, 2024) and in the ratio of 260:1 (in respect of outstanding Equity Shares of face value of ₹ 1 each as on the record date i.e., June 21, 2024). There is no guarantee that we may make such bonus issuances in the future since we may have additional compliances as a listed company.

Risks Related to the Offer

93. *Our Promoters will be able to exercise substantial control over our Company and may have interests that are different from those of our other Shareholders.*

Upon completion of this offering, our Promoters, HMCL, Tarun Sanjay Mehta and Swapnil Babanlal Jain, will hold approximately [●]%, [●]%, and [●]% of our outstanding shares of common stock as the controlling shareholders, respectively. As a result, our Promoters will be able to exercise a significant level of control over all matters requiring shareholder approval, including the election of directors, amendment of our constitutional documents and approval of significant corporate transactions and any other approvals which require a majority vote of shareholders eligible to vote. This control could have the effect of delaying or preventing a change of control of our Company or changes in management and will make the approval of certain transactions difficult or impossible without the support of such Promoters. While the actions carried out by our Company post-listing will be subject to Board and Shareholder approval, as required under the Companies Act, 2013, and the SEBI Listing Regulations, any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

94. *Our Corporate Promoter, Hero MotoCorp Limited, is a shareholder of companies that are in similar lines of business as us, and is itself engaged in a similar line of business as us. Further, certain Directors who are nominees of Hero MotoCorp Limited on our Board, are engaged in such business to the extent of being the senior management of Hero MotoCorp Limited. Any conflict of interest which may occur as a result could adversely affect our business, prospects, results of operations and financial condition.*

Our Corporate Promoter, HMCL, is a shareholder of Zero Motorcycles Inc., which manufactures and sells motorcycles outside of India, and Gogoro Inc., which focuses on swappable battery technology for E2Ws on a subscription-based model and also has its own series of E2Ws. Both companies are involved in a similar line of business as our Company. Further, HMCL is involved in a similar line of business as our Company. Our Corporate Promoter currently has three E2W models under the VIDA brand and has announced plans to launch new products in the mid- and affordable E2W space. Accordingly, our Non-executive Directors, Niranjan Kumar Gupta, chief executive officer of HMCL and Ram Kuppaswamy, chief procurement officer of HMCL, who are nominees of HMCL on our Board, are also involved in a similar line of business as that of our Company to the extent they are part of the senior management of HMCL. Further, the board of directors of HMCL has recently approved an investment in an entity that is in the business of designing, manufacturing, selling and servicing electric three and four-wheeler vehicles.

To address any conflict of interest which may arise in the future, we will adopt the necessary procedures and practices as permitted by applicable law. We cannot assure you that our Corporate Promoter and its nominees on our Board, will not favour the interests of such other companies over our interests or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

95. *Our Equity Shares have not been traded on any public exchange prior to this Offer, and it is uncertain whether an active trading market for our Equity Shares will develop. Further, the Offer Price may not be indicative of the market price of our Equity Shares after this Offer.*

Before this Offer, our Equity Shares have not been traded on any public markets, and we cannot guarantee that a robust trading market will develop or be maintained subsequent to this Offer. The Offer Price for our Equity Shares will be established by our Company in consultation with the BRLMs through the book-building process. This price may not reflect the actual market value of our Equity Shares when trading begins or at any subsequent point.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- The failure of analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- The activities of competitors and suppliers;
- Future sales of the Equity Shares by us or our shareholders;
- Investor perception of us and the industry in which we operate;
- Our quarterly or annual earnings or those of our competitors;
- Developments affecting fiscal, industrial or environmental regulations;
- The public's reaction to our press releases and adverse media reports; and
- General economic conditions.

These widespread market shifts and sector-specific trends could materially reduce the market price of our Equity Shares, independent of our actual operational results. Additionally, after the six-month lock-in period ends for certain portions of the pre-Offer Equity Share capital, pre-Offer shareholders may choose to sell their shareholding in our Company, depending on prevailing market conditions and their investment strategies. Any perception by investors that such sales might occur or actual sales by such pre-Offer shareholders could adversely affect the trading price of our Equity Shares. As a result, the value of our Equity Shares may be volatile, and investors might not be able to sell their shares at or above the Offer Price, or at all. Should the market price of our Equity Shares decline, investors lose some or all of their investment.

96. *No proceeds from the Offer for Sale portion will be received by our Company.*

The Offer includes an offer for sale of up to 11,051,746 Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be transferred to each of the Selling Shareholders, in proportion to the number of Equity Shares each has sold in the Offer for Sale. Our Company will not benefit financially from the proceeds of the Equity Shares sold by the Selling Shareholders in the Offer. For details, see “*Objects of the Offer*” beginning on page 166.

97. *Our Company has issued specified securities during the preceding one year at a price that may be below the Offer Price.*

Our Company has issued and allotted Equity Shares in the preceding one year from the date of this Red Herring Prospectus, (i) by way of a bonus issue on June 22, 2024 to its Equity Shareholders and, (ii) pursuant to an issuance and exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014 by Tarun Sanjay Mehta and Swapnil Babanlal Jain, on July 4, 2024. Further, our Company has issued Preference Shares in the preceding one year from the date of this Red Herring Prospectus, (i) by way of a private placement of Series F CCPS to Tarun Sanjay Mehta and Swapnil Babanlal Jain on July 9, 2024 and (ii) by way of a private placement of Series G CCPS to India-Japan Fund (*represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited*) on September 4, 2024. Further, the outstanding CCPS issued by our Company have been converted into a total of 259,836,073 Equity Shares on February 25, 2025 and March 8, 2025. For further details, see “*Capital Structure – Notes to Capital Structure – Issue of specified securities at a price lower than the Offer Price in the last year*” on page 144. Such issuances were at a price that may be lower than the Offer Price. The price at which specified securities have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing. For details on such allotments, see “*Capital Structure – Notes to Capital Structure – Issue of specified securities at a price lower than the Offer Price in the last year*” on page 144.

98. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, any capital gains arising from the sale of our Equity Shares are generally taxable in India. Gains from the sale of Equity Shares by an Indian resident, which are held for more than 12 months but sold outside of a recognised stock exchange without the payment of securities transaction tax (“STT”), are also subject to long-term capital gains tax in India.

Similarly, gains from the sale of Equity Shares held for 12 months or less, including those sold outside of a recognised stock exchange where no STT is paid, will be taxed as short-term capital gains. Pursuant to the Finance (No.2) Act of 2024, any the capital gains arising from the sale of listed equity shares held for a period exceeding 12 months, will be subject to tax at the rate of 12.5% (except for FPIs on certain transactions where the tax rate is 10%). However, by way of the Finance Bill, 2025, the Government of India has proposed a long-term capital gains tax of 12.5% on the transactions by FPIs as well which is yet to be notified. Similarly, short-term capital gains tax is levied at a rate of 20%. Further, in long-term any of the capital gains arising from sale of listed equity shares on which STT has been paid on transfer and at the time of acquisition (unless such acquisition was through a notified transaction) will be exempt up to ₹ 125,000.

Further, a STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold.

Consequently, international residents may be liable for taxation in India on gains from the sale of our Equity Shares, while also facing tax obligations in their own countries, depending on the provisions of any applicable tax treaty or the laws of their respective jurisdictions.

The Finance Act, 2019 amended the Indian Stamp Act of 1899, effective from July 1, 2020, and clarified that payment of stamp duty on the sale of securities through stock exchanges rests with the buyer, unless agreed otherwise. In other cases, such as transfers for consideration through a depository, the transferor bears the stamp duty. The stamp duty rate for the transfer of securities (excluding debentures) on a delivery basis is set at 0.015%, and for non-delivery transfers, it is 0.003% of the consideration amount. The Finance Act, 2020 introduced changes to the tax regime, including a simplified alternate direct tax system. It also provided that the dividend distribution tax for dividends declared, distributed, or paid by domestic companies after March 31, 2020 will not be payable. Consequently, such dividends will not be exempt in the hands of the shareholders, and that such dividends are likely to be subject to tax deduction at source. Investors are advised to consult with their tax advisors to understand the implications of investing or trading in our Equity Shares.

There is no certainty on the impact of the recently enacted tax laws or other tax laws and regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in our Equity Shares. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, governing our business and operations could result in us being deemed to be in contravention of such laws requiring us to apply for additional approvals.

99. QIB Bidders and Non-Institutional Bidders are not permitted to withdraw or lower their Bids at any stage after submitting a Bid and Retail Individual Investors and Eligible Employees are not permitted to withdraw their Bids after Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIB Bidders and Non-Institutional Bidders are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders and Eligible Employees can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.

Our Company is required to fulfil all listing formalities and initiate trading of our Equity Shares on all the Stock Exchanges where they are intended to be listed, including the Allotment as per the Offer, within three Working Days from the Bid/Offer Closing Date or such other timeline as may be prescribed under applicable law. Nevertheless, between the time of bid submission and the allotment of shares, various events could influence the bidders' decision to invest in our Equity Shares. Such events could include significant changes in international or domestic monetary policies, or shifts in financial, political, or economic conditions, as well as changes in our business operations, financial performance, or condition. Even if such events occur, our Company may proceed with the allotment of Equity Shares. These occurrences may restrict the bidders' ability to sell the allotted Equity Shares post-offer or may lead to a decrease in the trading price of our Equity Shares once they are listed.

100. There is no guarantee that the Equity Shares of our Company will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with applicable Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until the Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the Stock Exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will not be delayed due to various factors such as market conditions and developments, or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

101. Any future issuance of Equity Shares or securities linked to Equity Shares may dilute your shareholding, and our major shareholders' sale of our Equity Shares may also adversely affect our Equity Shares' trading prices.

We may be required to finance our growth through future equity offerings. Issuing more equity, whether through a primary offering or by allotting Equity Shares to employees when they exercise vested options granted under our ESOP Plan 2024 or any extant employee stock option plan of our Company, could result in the dilution of existing investors' shareholdings in our Company. We cannot assure you that we will not issue more Equity Shares or that our Shareholders will not sell their holdings. Any future issuance could also diminish the value of current investments in our Equity Shares and one-off charges associated with such issuance will increase our expenditures. Furthermore, investor concerns about potential issuances or disposals might negatively impact the market price of our Equity Shares.

Significant sales, or the perception that such sales will occur, including the pledging or encumbrance of our Equity Shares by our major shareholders or Promoters after this Offer is complete, could depress the market price of our Equity Shares, even if these actions are in compliance with the lock-in provisions under the SEBI ICDR Regulations. Such market activity could also significantly hinder our ability to secure capital in the future, whether through the sale of Equity Shares or by taking on additional debt.

102. Shareholders' rights under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may vary significantly from those applicable to companies in other jurisdictions. The rights afforded to shareholders under Indian legislation may not be as comprehensive or robust as those granted in other jurisdictions. Consequently, investors might encounter more difficulties in exercising their shareholder rights within an Indian company compared to their experiences with entities in other legal jurisdictions.

103. The Offer Price of our Equity Shares, our price-to-earnings ratio and our enterprise value to earnings before interest, taxes, depreciation and amortisation ("EBITDA") ratio may not fully reflect the trading price of our Equity Shares upon listing on the Stock Exchanges subsequent to the Offer and, as a result, you may lose a significant part or all of your investment.

While the Offer Price ultimately determines our market capitalisation, which will be decided by our Company in consultation with the BRLMs through the book building process, our enterprise value to EBITDA ratio in Fiscal Year 2024 is set out below.

| Particulars | Ratio vis-à-vis Floor Price* | Ratio vis-à-vis Cap Price* |
|----------------------------|------------------------------|----------------------------|
| | <i>(In multiples)</i> | |
| Enterprise value to EBITDA | [●] | [●] |

**To be updated at the price band stage.*

We had negative earnings in Fiscal Year 2024 and as such, our P/E ratio cannot be calculated. The average P/E ratio for the industry is 38.50. Our Offer Price, the multiples and ratio specified above may not be comparable to the market price, market capitalisation and price-to-earnings ratios of our peers and would be dependent on the various factors included under "***Basis for Offer Price***" beginning on page 196.

Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company and the Selling Shareholders in consultation with the BRLMs, would not be based on a peer benchmark. The relevant financial parameters on the basis of which Price Band will be determined, have been disclosed

under “*Basis for Offer Price*” on page 196 and shall be disclosed in the price band advertisement. For details of comparison with listed peers, please see “*Basis for Offer Price*” on page 196.

104.If we are classified as a passive foreign investment company for U.S. federal income tax purposes, U.S. investors in Equity Shares may be subject to adverse U.S. federal income tax consequences.

A non-U.S. corporation will be classified as a passive foreign investment company (a “**PFIC**”) for any taxable year if either: (a) at least 75% of its gross income for such year is “passive income” for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income includes interest, dividends and other investment income, with certain exceptions. Based on the current and anticipated composition of our income, assets (including their expected value) and operations, we do not expect to be treated as a PFIC for the current taxable year. However, our PFIC status depends, in part, on the expected value of our goodwill, which could fluctuate significantly. Whether we are treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the ownership and the composition of our income and assets, as well as the value of our assets (which may fluctuate with our market capitalization), from time to time. Moreover, the application of the PFIC rules is unclear in certain respects. The IRS or a court may disagree with our determinations, including the manner in which we determine the value of our assets and the percentage of our assets that are passive assets under the PFIC rules and the application of the gross income test to our facts. Therefore, there can be no assurance that the Company will not be classified as a PFIC for the current taxable year or for any future taxable year. If we are treated as a PFIC for any taxable year during which a U.S. investor held Equity Shares, such U.S. investor could be subject to adverse U.S. federal income tax consequences.

SECTION III – INTRODUCTION

THE OFFER

The following table summarises details of the Offer:

| | |
|---|--|
| Offer⁽¹⁾⁽²⁾ | [●] Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million |
| <i>of which:</i> | |
| Fresh Issue ⁽¹⁾ | [●] Equity Shares of face value of ₹1 each, aggregating up to ₹ 26,260 million |
| Offer for Sale ⁽²⁾ | Up to 11,051,746 Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million |
| <i>The Offer consists of:</i> | |
| Employee Reservation Portion ⁽³⁾ | Up to 100,000 Equity Shares of face value of ₹1 each, aggregating up to ₹ [●] million |
| Net Offer | [●] Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million |
| <i>The Net Offer consists of:</i> | |
| A. QIB Portion⁽⁴⁾⁽⁶⁾ | Not less than [●] Equity Shares of face value of ₹1 each |
| <i>Of which:</i> | |
| Anchor Investor Portion | [●] Equity Shares of face value of ₹1 each |
| Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares of face value of ₹1 each |
| <i>Of which:</i> | |
| Mutual Fund Portion (5% of the Net QIB Portion) | [●] Equity Shares of face value of ₹1 each |
| Balance of QIB Portion for all QIBs including Mutual Funds | [●] Equity Shares of face value of ₹1 each |
| B. Non-Institutional Portion⁽⁵⁾⁽⁶⁾ | Not more than [●] Equity Shares of face value of ₹1 each |
| <i>Of which:</i> | |
| One-third available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 | [●] Equity Shares of face value of ₹1 each |
| Two-thirds available for allocation to Bidders with an application size of more than ₹ 1,000,000 | [●] Equity Shares of face value of ₹1 each |
| C. Retail Portion | Not more than [●] Equity Shares of face value of ₹1 each |
| Pre and post-Offer Equity Shares | |
| Equity Shares outstanding prior to the Offer (as on the date of this Red Herring Prospectus) | 290,643,469 Equity Shares of face value of ₹1 each |
| Equity Shares outstanding after the Offer | [●] Equity Shares of face value of ₹1 each |
| Use of Net Proceeds | See “ Objects of the Offer ” on page 166 for details regarding the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale. |

⁽¹⁾ Our Board has authorised the Offer pursuant to their resolution dated August 27, 2024. Our Shareholders have authorised the Fresh Issue pursuant to their special resolution dated September 5, 2024.

⁽²⁾ Our Board has taken on record the authorisations for the Offer for Sale by each of the Selling Shareholders pursuant to its resolution dated April 4, 2025. Each Selling Shareholder has, severally and not jointly, authorized the inclusion of its respective portion of the Offered Shares in the Offer for Sale. For details of authorizations received for the Offer for Sale, see “**Other Regulatory and Statutory Disclosures - Authority of the Offer – Consents from the Selling Shareholders**” on page 492. Each Selling Shareholder has, severally and not jointly, confirmed that the Offered Shares are eligible for being offered for sale in the Offer in compliance with the SEBI ICDR Regulations. Further, each Selling Shareholder has, severally and not jointly, confirmed compliance with and will comply with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable. For further details, see “**Summary of the Offer Document**” and “**Other Regulatory and Statutory Disclosures**” on pages 21 and 492, respectively.

⁽³⁾ Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any), subject to the maximum value of allocation made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000 net of Employee Discount, if any), shall be added to the Net Offer. Our Company, in consultation with the BRLMs, may offer a discount

of [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see “**Offer Procedure**” and “**Offer Structure**” beginning on pages 519 and 514, respectively.

- (4) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if 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. For further details, see “**Offer Procedure**” on page 519.
- (5) Not more than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion.
- (6) Subject to valid Bids being received at or above the Offer 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 at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to applicable law. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in the section “**Terms of the Offer – Minimum Subscription**” on page 512.

Pursuant to Rule 19(2)(b) of the SCRR, the Offer is being made for at least [●]% of the post-Offer paid-up Equity Share capital of our Company. Allocation to all categories of Bidders shall be made in accordance with SEBI ICDR Regulations. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than the minimum non-institutional application size, subject to availability of Equity Shares in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII to the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see “**Offer Structure**”, “**Terms of the Offer**” and “**Offer Procedure**” beginning on pages 514, 508 and 519, respectively.

SUMMARY FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with “***Financial Information - Restated Financial Information***” and “***Management’s Discussion and Analysis of Financial Condition and Results of Operations***” beginning on pages 359 and 436, respectively. The following tables set forth summary financial information derived from our Restated Financial Information.

[The remainder of this page has been intentionally left blank]

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| ASSETS | | | | | |
| NON CURRENT ASSETS | | | | | |
| Property, plant and equipment | 2,445 | 1,820 | 1,871 | 1,818 | 935 |
| Right of use assets | 2,391 | 1,642 | 1,489 | 1,844 | 646 |
| Capital work-in-progress | 34 | 15 | 0 | 9 | 4 |
| Intangible assets | 1,242 | 1,391 | 1,229 | 1,783 | 1,766 |
| Intangible assets under development | 835 | 521 | 706 | 365 | 923 |
| Financial assets | | | | | |
| - Investments | - | - | - | - | 0 |
| - Other financial assets | 365 | 216 | 153 | 177 | 132 |
| Other non-current assets | 1,738 | 991 | 1,393 | 689 | 855 |
| TOTAL - NON CURRENT ASSETS | 9,050 | 6,596 | 6,841 | 6,685 | 5,261 |
| CURRENT ASSETS | | | | | |
| Inventories | 2,227 | 1,737 | 1,167 | 2,574 | 607 |
| Financial assets | | | | | |
| - Investments | 2,384 | 396 | 2,922 | 2,859 | 373 |
| - Trade receivables | 103 | 13 | 16 | 12 | 10 |
| - Cash and cash equivalents | 469 | 391 | 2,279 | 826 | 574 |
| - Other balances with banks | 3,003 | 3,898 | 2,199 | 936 | 313 |
| - Loans | 1 | 1 | 2 | - | - |
| - Other financial assets | 1,473 | 3,685 | 1,170 | 3,721 | 355 |
| Current tax asset | 36 | 33 | 24 | 23 | 9 |
| Other current assets | 2,974 | 1,952 | 2,515 | 2,132 | 684 |
| TOTAL - CURRENT ASSETS | 12,670 | 12,106 | 12,294 | 13,083 | 2,925 |
| TOTAL ASSETS | 21,720 | 18,702 | 19,135 | 19,768 | 8,186 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Equity share capital | 31 | 0 | 0 | 0 | 0 |
| Instruments entirely equity in nature | 8 | 8 | 8 | 6 | 7 |
| Other equity | 1,041 | 8,427 | 5,451 | 6,131 | 2,242 |
| TOTAL - EQUITY | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| LIABILITIES | | | | | |
| NON CURRENT LIABILITIES | | | | | |
| Financial liabilities | | | | | |
| - Borrowings | 1,602 | 780 | 309 | 1,205 | 1,087 |
| - Lease liabilities | 1,393 | 1,556 | 1,419 | 1,686 | 597 |
| - Other financial liabilities | 115 | 91 | 103 | 59 | 19 |
| Provisions | 714 | 701 | 702 | 486 | 290 |
| Other non-current liabilities | 681 | 295 | 379 | - | - |
| TOTAL - NON CURRENT LIABILITIES | 4,505 | 3,423 | 2,912 | 3,436 | 1,993 |
| CURRENT LIABILITIES | | | | | |
| Financial liabilities | | | | | |
| - Borrowings | 9,614 | 2,210 | 2,840 | 3,647 | 1,897 |
| - Lease liabilities | 237 | 202 | 209 | 178 | 68 |
| - Trade payables | | | | | |
| (A) Total outstanding dues of micro and small enterprises | 267 | 152 | 185 | 238 | 100 |
| (B) Total outstanding dues of creditors other than micro and small enterprises | 3,854 | 2,079 | 3,842 | 3,599 | 1,109 |
| - Other financial liabilities | 422 | 770 | 1,348 | 1,383 | 533 |
| Other current liabilities | 613 | 630 | 1,533 | 563 | 132 |
| Provisions | 1,128 | 801 | 807 | 587 | 105 |
| TOTAL - CURRENT LIABILITIES | 16,135 | 6,844 | 10,764 | 10,195 | 3,944 |
| TOTAL EQUITY AND LIABILITIES | 21,720 | 18,702 | 19,135 | 19,768 | 8,186 |

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| I Revenue from operations | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| II Other income | 385 | 233 | 353 | 209 | 49 |
| III Total income (I + II) | 16,174 | 12,537 | 17,891 | 18,018 | 4,138 |
| IV EXPENSES | | | | | |
| Cost of materials consumed | 13,069 | 11,323 | 15,792 | 15,370 | 3,482 |
| Purchase of stock-in-trade | 612 | 221 | 279 | 923 | 201 |
| Change in inventories of finished goods, stock-in-trade and work-in-progress | (552) | (105) | 247 | (339) | 155 |
| Employee benefits expense | 3,033 | 2,151 | 3,692 | 3,348 | 1,139 |
| Finance costs | 821 | 699 | 890 | 650 | 407 |
| Depreciation and amortisation expenses | 1,258 | 1,090 | 1,467 | 1,128 | 484 |
| Other expenses | 3,712 | 3,176 | 4,375 | 5,583 | 1,711 |
| Total expenses (IV) | 21,953 | 18,555 | 26,742 | 26,663 | 7,579 |
| V Restated loss before exceptional items and tax (III - IV) | (5,779) | (6,018) | (8,851) | (8,645) | (3,441) |
| VI Exceptional items | - | 1,746 | 1,746 | - | - |
| VII Restated loss before tax (V - VI) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| VIII Tax expense | | | | | |
| (1) Current tax | - | - | - | - | - |
| (2) Deferred tax | - | - | - | - | - |
| Total tax expense (VIII) | - | - | - | - | - |
| IX Restated loss for the period/year (VII - VIII) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| X Other comprehensive income | | | | | |
| (i) Items that will not be reclassified to profit or loss | | | | | |
| Re-measurement of defined benefit plans | (17) | (20) | (26) | 6 | (5) |
| Income tax relating to above items | - | - | - | - | - |
| XI Restated total comprehensive loss for the period/year (IX+X) | (5,796) | (7,784) | (10,623) | (8,639) | (3,446) |
| XII Restated loss per equity share in INR (Face value of INR 1 each) (nine months ended earning per shares not annualised) | | | | | |
| (1) Basic | (23) | (36) | (47) | (48) | (27) |
| (2) Diluted | (23) | (36) | (47) | (48) | (27) |

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| A. Cash flows from operating activities | | | | | |
| Restated loss before tax | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Adjustments for: | | | | | |
| Depreciation and amortisation expenses | 1,258 | 1,090 | 1,467 | 1,128 | 484 |
| Warranty cost | 410 | 416 | 429 | 572 | 204 |
| Assets discarded | 2 | 1 | 12 | 104 | 18 |
| Finance costs | 821 | 699 | 890 | 650 | 407 |
| Loss on fair value measurement of financial liabilities (net) | - | 210 | 224 | 568 | 137 |
| Allowance for doubtful advance and receivables | 18 | 31 | 58 | 8 | 49 |
| Provision/Liability no longer required written back | (45) | (18) | (32) | - | - |
| Sundry balances written off | - | - | 6 | - | - |
| Unrealized foreign exchange loss / (gain) (net) | 17 | 5 | 4 | (3) | 2 |
| Share based payment expense, (net) | 610 | 63 | 815 | 885 | 195 |
| Interest income | (125) | (121) | (196) | (82) | (22) |
| Profit on sale of property, plant and equipment, (net) | (0) | (1) | (3) | (3) | - |
| Gain on derecognition of Right of use assets and lease liabilities on account of termination of leases | - | - | - | (6) | (5) |
| Net gain on disposal / fair valuation of investments carried at fair value through profit & loss | (204) | (89) | (115) | (120) | (20) |
| Operating cash outflow before working capital changes | (3,017) | (5,478) | (7,038) | (4,944) | (1,992) |
| Changes in working capital: | | | | | |
| (Increase)/decrease in inventories | (1,060) | 837 | 1,407 | (1,967) | (40) |
| (Increase)/decrease in trade receivables | (87) | (1) | (4) | (2) | (10) |
| (Increase)/decrease in other financial assets | (429) | 12 | 2,512 | (3,483) | (18) |
| (Increase)/decrease in other assets | (870) | (116) | (976) | (1,383) | (752) |
| (Decrease)/increase in trade payables | 85 | (1,607) | 193 | 2,635 | 534 |
| (Decrease)/increase in other financial liabilities | (1,009) | 299 | (48) | (30) | 43 |
| (Decrease)/increase in other liabilities and provisions | (772) | 301 | 1,279 | 475 | (42) |
| Cash used in operations | (7,159) | (5,753) | (2,675) | (8,699) | (2,277) |
| Income taxes paid (net) | (12) | (10) | (1) | (14) | (7) |
| Net cash used in operating activities | (7,171) | (5,763) | (2,676) | (8,713) | (2,284) |
| B. Cash flows from investing activities | | | | | |
| Capital expenditure on property, plant and equipment and intangible assets, capital work in progress and intangible assets under development including capital advances and payable on purchase of property, plant and equipment. | (2,635) | (762) | (1,159) | (1,318) | (722) |
| Proceeds from disposal of property, plant and equipment | 0 | 3 | 3 | 20 | - |
| Investments in term deposits | (2,323) | (3,244) | (4,385) | (31,367) | (3,603) |
| Redemption of term deposits | 1,416 | 245 | 3,123 | 30,743 | 4,229 |
| Proceeds from/(Investment in) sale of mutual funds | 119 | (311) | (125) | 387 | - |
| Interest received | 321 | 201 | 262 | 185 | 30 |
| Net cash used in investing activities | (3,102) | (3,868) | (2,281) | (1,350) | (66) |
| C. Cash flows from financing activities | | | | | |
| Proceeds from issue of compulsorily convertible preference shares and equity shares (including securities premium) | 866 | 9,011 | 9,011 | 11,998 | - |
| Proceeds from issue of compulsorily convertible debentures | - | - | - | - | 1,500 |
| Principal Payment of lease liabilities | (152) | (122) | (168) | (121) | (99) |
| Proceeds from non- current borrowings (including current maturities) | 3,900 | 1,300 | 1,300 | 2,000 | 1,300 |
| Repayment of non- current borrowings (including current maturities) | (1,676) | (1,218) | (1,847) | (1,630) | (706) |
| Proceeds from / (Repayment) of current borrowings (net) | 5,846 | (1,918) | (1,194) | 1,528 | 700 |
| Finance costs | (725) | (631) | (770) | (601) | (388) |
| Net cash generated from financing activities | 8,059 | 6,422 | 6,332 | 13,174 | 2,307 |
| Net increase / (decrease) in cash and cash equivalents | (2,214) | (3,209) | 1,375 | 3,111 | (43) |
| Cash and cash equivalents at the beginning of the period/year | 2,279 | 826 | 826 | 574 | 53 |
| Liquid mutual funds | 2,781 | 2,859 | 2,859 | - | 564 |
| Cash and cash equivalents at the end of the period/year | 2,846 | 476 | 5,060 | 3,685 | 574 |
| Reconciliation of cash and cash equivalents | | | | | |
| Cash on hand | 1 | 1 | 1 | 1 | 0 |
| Balances with banks in current accounts | 468 | 390 | 2,278 | 825 | 574 |
| Liquid mutual funds | 2,377 | 85 | 2,781 | 2,859 | - |
| Total | 2,846 | 476 | 5,060 | 3,685 | 574 |

Notes:

1. The above Restated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

2. Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below:

| Particulars | As at 01 April 2024 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 December 2024 |
|---|------------------------|----------------|--------------------------------------|---|------------|------------------------------|
| Non-current borrowings (including current maturities) | 2,114 | 2,224 | 18 | - | - | 4,356 |
| Current borrowings | 1,035 | 5,846 | (29) | 8 | - | 6,860 |
| Interest accrued | 1 | (725) | 748 | - | - | 24 |
| Lease liabilities | 1,628 | (152) | - | - | 154 | 1,630 |
| Total | 4,778 | 7,193 | 737 | 8 | 154 | 12,870 |

*Others includes net addition of lease liability during the period of INR 154 million.

| Particulars | As at 01 April 2023 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 December 2023 |
|---|------------------------|----------------|--------------------------------------|---|-----------|------------------------------|
| Non-current borrowings (including current maturities) | 2,659 | 82 | (8) | - | - | 2,733 |
| Current borrowings | 2,193 | (1,918) | (22) | 4 | - | 257 |
| Interest accrued | 11 | (631) | 639 | - | - | 19 |
| Lease liabilities | 1,864 | (122) | - | - | 16 | 1,758 |
| Total | 6,727 | (2,589) | 609 | 4 | 16 | 4,767 |

*Others includes net addition of lease liability during the period of INR 16 million.

| Particulars | As at 01 April 2023 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 March 2024 |
|---|------------------------|----------------|--------------------------------------|---|-------------|------------------------|
| Non-current borrowings (including current maturities) | 2,659 | (547) | 2 | - | - | 2,114 |
| Current borrowings | 2,193 | (1,194) | 33 | 3 | - | 1,035 |
| Interest accrued | 11 | (770) | 760 | - | - | 1 |
| Lease liabilities | 1,864 | (168) | - | - | (68) | 1,628 |
| Total | 6,727 | (2,679) | 795 | 3 | (68) | 4,778 |

*Others includes net remeasurement of lease liability during the year of INR (68) million.

| Particulars | As at 01 April 2022 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 March 2023 |
|---|------------------------|----------------|--------------------------------------|---|--------------|------------------------|
| Non-current borrowings (including current maturities) | 2,297 | 370 | (8) | - | - | 2,659 |
| Current borrowings | 687 | 1,528 | (21) | (1) | - | 2,193 |
| Interest accrued | 14 | (601) | 598 | - | - | 11 |
| Lease liabilities | 665 | (121) | - | - | 1,320 | 1,864 |
| Total | 3,663 | 1,176 | 569 | (1) | 1,320 | 6,727 |

* Others includes net addition of lease liability during the year of INR 1,320 million.

| Particulars | As at 01 April 2021 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 March 2022 |
|---|------------------------|----------------|--------------------------------------|---|------------|------------------------|
| Non-current borrowings (including current maturities) | 1,717 | 594 | (14) | - | - | 2,297 |
| Current borrowings | - | 700 | (13) | - | - | 687 |
| Interest accrued | 13 | (388) | 389 | - | - | 14 |
| Lease liabilities | 472 | (99) | - | - | 292 | 665 |
| Total | 2,202 | 807 | 362 | - | 292 | 3,663 |

GENERAL INFORMATION

Our Company was originally incorporated as “Ather Energy Private Limited” as a private limited company under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated October 21, 2013, issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands. Pursuant to a change in the registered office of our Company, a certificate of registration dated May 31, 2016, was issued by the Registrar of Companies, Karnataka at Bangalore. Upon the conversion of our Company into a public limited company, pursuant to a board resolution dated June 18, 2024 and a shareholders’ resolution dated June 21, 2024, the name of our Company was changed to “Ather Energy Limited”, and a fresh certificate of incorporation dated August 27, 2024, was issued by the Registrar of Companies, Central Processing Centre.

Corporate Identity Number: U40100KA2013PLC093769

Company Registration Number: 093769

Registered Office of our Company

3rd Floor, Tower D
IBC Knowledge Park, #4/1 Bannerghatta Main Road
Bangalore 560 029
Karnataka, India

For details of change in the registered office of our Company, see “*History and Certain Corporate Matters – Changes in the registered office of our Company*” on page 326.

Corporate Office of our Company

13th Floor, Tower D
IBC Knowledge Park, #4/1 Bannerghatta Main Road
Bangalore 560 029
Karnataka, India

Address of the RoC

Our Company is registered with the RoC located at the following address:

Registrar of Companies, Karnataka at Bengaluru

‘E’ Wing, 2nd Floor, Kendriya Sadana
Koramangala
Bengaluru 560 034
Karnataka, India

Board of Directors of our Company

Our Board comprises the following Directors, as on the date of filing of this Red Herring Prospectus:

| Name, Designation and DIN | Address |
|---|---|
| Tarun Sanjay Mehta <i>Executive Director and Chief Executive Officer</i> DIN: 06392463 | Flat A 603, Mantri Sarovar, Opposite Agara Lake, HSR Layout, Bengaluru 560 102, Karnataka |
| Swapnil Babanlal Jain <i>Executive Director and Chief Technical Officer</i> DIN: 06682759 | Huron, H-1302, SNN Raj Lakeview, Phase-2, Ranka Colony Road, Ranka Colony, Munivenkatappa Layout, Bangalore South, Bengaluru 560 076, Karnataka |
| Niranjan Kumar Gupta ¹ <i>Non-executive Director</i> DIN: 07806792 | Flat No - 703, Tower B, Bestech Park View Spa Sector 47, Gurugram 122 018, Haryana |
| Nilesh Shrivastava ² <i>Nominee Director</i> DIN: 09632942 | D-18, 3rd Floor, Saket, Delhi 110 017, New Delhi |
| Pankaj Sood ³ <i>Nominee Director</i> DIN: 05185378 | C2106, Oberoi Exquisite, Opposite Oberoi Woods, Goregaon East, Mumbai 400 063, Maharashtra |

| Name, Designation and DIN | Address |
|---|---|
| Ram Kuppaswamy ¹ <i>Non-executive Director</i> DIN: 09817635 | Tower A3, Apt 1501, Sector 30, World Spa East, Gurugram 122 001, Haryana |
| Kaushik Dutta <i>Independent Director</i> DIN: 03328890 | A-843, Lavy Pinto Block, Asiad Games Village, Khel Gaon, New Delhi 110 049 |
| Neelam Dhawan <i>Chairperson and Independent Director</i> DIN: 00871445 | C – 3/10, Dlf City, Phase I, Near Park, Gurugram, Haryana, 122 001 |
| Sanjay Nayak <i>Independent Director</i> DIN: 01049871 | N- 8, Assetz 27 Park Avenue, 24 th main road, HSR Layout Sector I, Bengaluru, Karnataka, 560102 |

¹Nominee of HMCL

²Nominee of National Investment and Infrastructure Fund II

³Nominee of Caladium Investment Pte Ltd.

For further details of our Directors, see “**Our Management**” on page 334.

Filing of the Draft Red Herring Prospectus and this Red Herring Prospectus

A copy of the Draft Red Herring Prospectus was uploaded on the SEBI Intermediary Portal at <https://siportal.sebi.gov.in>, in accordance with Regulation 25(8) of the SEBI ICDR Regulations SEBI ICDR Master Circular and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD” and was also filed with the SEBI at the following address:

Securities and Exchange Board of India

Corporation Finance Department, Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, ‘G’ Block
Bandra Kurla Complex Bandra (E)
Mumbai 400 051,
Maharashtra, India

A copy of this Red Herring Prospectus, along with the material contracts and documents has been filed with the RoC in accordance with Section 32 of the Companies Act, and a copy of the Prospectus shall be filed with the RoC as required under Section 26 of the Companies Act and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

Company Secretary and Compliance Officer

Puja Aggarwal is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth below:

Puja Aggarwal

3rd Floor, Tower D
IBC Knowledge Park, #4/1 Bannerghatta Main Road
Bengaluru 560 029
Karnataka, India
Tel: +91 80 6646 5750
E-mail: cs@atherenergy.com

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including 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. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

All Offer-related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or first bidder, Bid cum Application Form number, Bidder’s DP ID,

Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number 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 Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Axis Capital Limited

Axis House, 1st Floor
P.B. Marg, Worli
Mumbai 400 025, Maharashtra, India
Telephone: +91 22 4325 2183
Email: atherenergy.ipo@axiscap.in
Investor grievance email: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Sagar Jatakiya
SEBI Registration No.: INM000012029

HSBC Securities and Capital Markets (India) Private Limited

52/60, Mahatma Gandhi Road, Fort
Mumbai 400 001
Maharashtra, India
Telephone: +91 22 6864 1289
Email: atheripo@hsbc.co.in
Investor grievance email: investorgrievance@hsbc.co.in
Website: www.business.hsbc.co.in
Contact Person: Harsh Thakkar / Harshit Tayal
SEBI Registration No.: INM000010353

JM Financial Limited

7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025, Maharashtra, India
Telephone: +91 22 6630 3030
E-mail: atherenergy.ipo@jmfl.com
Investor Grievance email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

Nomura Financial Advisory and Securities (India) Private Limited

Ceejay House, Level 11 Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018, Maharashtra, India
Telephone: +91 22 4037 4037
E-mail: atheripo@nomura.com
Investor Grievance email: investorgrievances-in@nomura.com
Website: www.nomuraholdings.com/company/group/asia/india/index.html
Contact Person: Vishal Kanjani / Arun Narayana
SEBI Registration No.: INM000011419

Statement of inter-se allocation of responsibilities amongst the BRLMs

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

| S.No | Activity | Responsibility | Co-ordinator |
|------|--|----------------|--------------|
| 1. | Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal, etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing | All BRLMs | Axis Capital |
| 2. | Drafting and approval of all statutory advertisements | All BRLMs | Axis Capital |
| 3. | Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 2 above, including corporate advertising and brochures and filing of media compliance report with SEBI | All BRLMs | HSBC |

| S.No | Activity | Responsibility | Co-ordinator |
|---|---|----------------|--------------|
| 4. | Appointment of Registrar to the Offer and Bankers to the Offer including co-ordination for their agreements | All BRLMs | Nomura |
| 5. | Appointment of all other intermediaries (including coordination of all agreements) | All BRLMs | Nomura |
| 6. | Preparation of road show presentation and FAQs | All BRLMs | Nomura |
| 7. | International institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy • Finalizing the list and division of international investors for one-to-one meetings • Finalizing international road show and investor meeting schedules | All BRLMs | HSBC |
| 8. | Domestic institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Finalizing the list and division of domestic investors for one-to-one meetings • Finalizing domestic road show and investor meeting schedules | All BRLMs | JM Financial |
| 9. | Conduct non-institutional marketing of the Offer | All BRLMs | Axis Capital |
| 10. | Conduct retail marketing of the Offer, which will cover, inter-alia: <ul style="list-style-type: none"> • Finalizing media, marketing, public relations strategy and publicity budget • Finalizing collection centres • Finalizing commission structure • Finalizing centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material | All BRLMs | Axis Capital |
| 11. | Coordination with Stock Exchanges for book building software and bidding terminals | All BRLMs | JM Financial |
| 12. | Managing anchor book related activities, coordination with Stock Exchanges for anchor intimation, submission of letters regulators post completion of anchor allocation | All BRLMs | HSBC |
| 13. | Managing the book and finalization of pricing in compliance with SEBI ICDR Regulations | All BRLMs | HSBC |
| 14. | Post-Offer activities – Post bidding activities including management of escrows accounts, mock trading, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. | All BRLMs | JM Financial |
| <p>Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.</p> <p>Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government.</p> <p>Submission of all post Offer reports including the final post Offer report to SEBI</p> | | | |

Syndicate Member

JM Financial Services Limited

Ground Floor, 2,3&4, Kamanwala Chambers,
Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India
Tel: +91 22 6136 3400
E-mail: tn.kumar@jmfl.com / sona.verghese@jmfl.com
Website: www.jmfinancialservices.in
Contact Person: T N Kumar / Sona Varghese
SEBI Registration Number: INZ000195834

Legal Counsel to the Company as to Indian Law

Shardul Amarchand Mangaldas & Co

Prestige Sterling Square
Madras Bank Road, Off Lavelle Road
Bengaluru 560 001
Karnataka, India
Telephone: +91 80 6674 9999

Amarchand Towers
216, Okhla Industrial Estate Phase III
New Delhi 110 020
Delhi, India
Telephone: +91 11 4159 0700

Registrar to the Offer

MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)

C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Telephone: +91 810 811 4949
E-mail: atherenergy.ipo@linkintime.co.in
Investor Grievance E-mail: atherenergy.ipo@linkintime.co.in
Website: www.in.mpms.mufg.com
Contact person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Statutory Auditors to our Company

Deloitte Haskins & Sells, Chartered Accountants

Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru 560 001
Karnataka, India
Email: gusingh@deloitte.com
Telephone: +91 80 6188 6000
Peer Review Certificate No.: 014126
Firm Registration No.: 008072S

Changes in auditors

There has been no change in the statutory auditors of our Company in the three years preceding the date of this Red Herring Prospectus.

Bankers to the Offer

Escrow Collection Bank, Refund Bank and Sponsor Bank

HDFC Bank Limited

HDFC Bank Limited, FIG-OPS Department- Lodha
I Think Techno Campus, O-3 Level
Next to Kanjurmarg Railway Station, Kanjurmarg (East)
Mumbai 400 042
Maharashtra, India

E-mail: siddharth.jadhav@hdfc.com, sachin.gawade@hdfc.com, eric.bacha@hdfc.com,
tushar.gavankar@hdfc.com, pravin.teli2@hdfc.com

Telephone: +91 22 3075 2929, +91 22 3075 2928, +91 22 3075 2914

Website: www.hdfcbank.com

Contact Person: Eric Bacha, Siddharth Jadhav, Sachin Gawade, Tushar Gavankar, Pravin Teli

SEBI Registration Number: INBI00000063

Public Offer Account Bank and Sponsor Bank**Axis Bank Limited**

Axis House, 6th Floor, C-2, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India

E-mail: vishal.lade@axisbankcom

Telephone: +91 22 2425 3672

Website: www.axisbank.com

Contact Person: Vishal Lade

SEBI Registration Number: IN8100000017

Bankers to our Company**Axis Bank Limited**

Level 3, No.8, MG. Road, Bengaluru 560 001,
Karnataka

Telephone: 080 68047352

E-mail: Naveen.inmadar@axisbank.com

Website: www.axisbank.com

Contact person: Naveen Inamdar

The Hongkong and Shanghai Corporation Limited

No. 7, M.G. Road, Bengaluru,
Karnataka 560 001

Telephone: + 91 40 66162080

E-mail: Apurba.mukherjee@hsbc.co.in

Website: www.hsbc.co.in

Contact person: Apurba Mukherjee

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an ASBA Bidder (other than UPI Bidders using the UPI Mechanism), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or at such other websites as may be prescribed by SEBI from time to time.

Self-Certified Syndicate Banks and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and the SEBI ICDR Master Circular, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, using the UPI handles and which are live for applying in public issues using UPI mechanism is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>, respectively, as 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 RIIs) submitted under the ASBA process 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 (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 ASBA Forms in the Offer using the stockbroker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and <https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures> respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?> and <https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures> respectively, as updated from time to time.

Grading of the Offer

No credit agency registered with SEBI has been appointed for grading of the Offer.

Monitoring Agency

Our Company has appointed CARE Ratings Limited as a Monitoring Agency in accordance with Regulation 41 of SEBI ICDR Regulations, for monitoring of the utilisation of the Gross Proceeds. For details in relation to the proposed utilisation of the proceeds from the Fresh Issue, please see “*Objects of the Offer*” on page 166. The details of the Monitoring Agency are as follows:

CARE Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital Road

Off Eastern Express Highway, Sion (East)

Mumbai 400 022

Maharashtra, India

Telephone number: +91 99995 10596

E-mail: saurabh.vaish@careedge.in

Website: www.careratings.com

CIN: L67190MH1993PLC071691

Experts

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

- (i) Our Company has received written consent dated April 22, 2025 from Deloitte Haskins & Sells, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated February 3, 2025 on the Restated Financial Information; and (ii) their report dated April 2, 2025 on the statement of possible special tax benefits available to the Company and its Shareholders included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term “expert” and “consent” do not represent an “expert” or “consent” within the meaning

under the U.S. Securities Act.

- (ii) Our Company has received written consent dated April 22, 2025 from Manian & Rao, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the various certifications issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Red Herring Prospectus.
- (iii) Our Company has received a written consent dated September 5, 2024 from M/s. RBSA Advisors LLP, to include their name as an “expert” as defined under Sections 2(38) and 26(5) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered engineer and in respect of the certificate issued by them and included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.
- (iv) Our Company has received a written consent dated March 11, 2025 from LexOrbis Intellectual Property Attorneys & Advocates, as intellectual property consultant to include its name as required under Section 26(5) of the Companies Act, 2013 in this Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Debenture Trustees

As the Offer is of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of this Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band which will be decided by our Company, in consultation with the BRLMs and will be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Bengaluru editions of Vishwavani (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs, or in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs, NIBs and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis. For further details on the Book Building Process and the method and process of Bidding, see “*Terms of the Offer*”, “*Offer Procedure*” and “*Offer Structure*” beginning on pages 508, 519 and 514 respectively.

The Book Building Process is subject to change, from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note that the Offer is also subject to (i) the final approval of the RoC after the Prospectus is filed with the RoC, and (ii) our Company obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For an illustration of the Book Building Process, price discovery process and allocation, see “*Offer Procedure*” on page 519.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement dated [●] with the Underwriters, in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC, as applicable)

| Name, address, telephone number and e-mail address of the Underwriters | Indicative number of Equity Shares to be Underwritten | Amount underwritten (₹ in million) |
|--|---|------------------------------------|
| Name Address Telephone: [●] E-mail: [●] | [●] | [●] |
| Name Address Telephone: [●] E-mail: [●] | [●] | [●] |
| Name Address Telephone: [●] E-mail: [●] | [●] | [●] |
| Name Address Telephone: [●] E-mail: [●] | [●] | [●] |
| Name Address Telephone: [●] E-mail: [●] | [●] | [●] |
| Name Address Telephone: [●] E-mail: [●] | [●] | [●] |
| Total | [●] | [●] |

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of Regulation 40 of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has approved the execution of the Underwriting Agreement by our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to Investors procured by them in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Red Herring Prospectus, is set forth below:

| (in ₹, except share data) | | | |
|--|--|-------------------------|---------------------------------|
| S.No. | Particulars | Aggregate nominal value | Aggregate value at Offer Price* |
| A. AUTHORISED SHARE CAPITAL⁽¹⁾ | | | |
| | <i>Equity Shares comprising:</i> | | |
| | 600,000,000 Equity Shares of face value of ₹ 1 each | 600,000,000 | - |
| | <i>Preference Shares comprising:</i> | | |
| | 710 Series Seed - One CCPS of face value of ₹ 37 each | 26,270 | - |
| | 530 Series Seed - Two CCPS of face value of ₹ 37 each | 19,610 | - |
| | 350 Series Seed - Three CCPS of face value of ₹ 37 each | 12,950 | - |
| | 21,900 Series Seed - Four CCPS of face value of ₹ 37 each | 810,300 | - |
| | 74,732 Series A CCPS of face value of ₹ 1 each | 74,732 | - |
| | 99,826 Series B CCPS of face value of ₹ 10 each | 998,260 | - |
| | 29,347 Series B1 CCPS of face value of ₹ 10 each | 293,470 | - |
| | 29,699 Series C CCPS of face value of ₹ 10 each | 296,990 | - |
| | 20,688 Series C1 CCPS of face value of ₹ 10 each | 206,880 | - |
| | 88,040 Series D CCPS of face value of ₹ 10 each | 880,400 | - |
| | 193,789 Series E CCPS of face value of ₹ 10 each | 1,937,890 | - |
| | 51,359 Series E1 CCPS of face value of ₹ 10 each | 513,590 | - |
| | 229,120 Series E2 CCPS of face value of ₹ 10 each | 2,291,200 | - |
| | 74,148 Series F CCPS of face value of ₹ 1 each | 74,148 | - |
| | 39,156,331 CCPS of face value of ₹ 10 each | 391,563,310 | - |
| | Total | 1,000,000,000 | |
| B. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER BUT POST CONVERSION OF PREFERENCE SHARES | | | |
| | 290,643,469 Equity Shares of face value of ₹ 1 each | 290,643,469 | - |
| C. PRESENT OFFER⁽²⁾⁽³⁾ | | | |
| | Offer of [●] Equity Shares of face value of ₹ 1 each ⁽³⁾ | [●] | [●] |
| | <i>Of which:</i> | | |
| | Fresh Issue of [●] Equity Shares of face value of ₹ 1 each aggregating up to ₹ 26,260 million ⁽³⁾ | [●] | [●] |
| | Offer for Sale of up to 11,051,746 Equity Shares of face value of ₹ 1 each by the Selling Shareholders ⁽³⁾ | 11,051,746 | [●] |
| | <i>The Offer includes:</i> | | |
| | Employee Reservation Portion of up to 100,000 Equity Shares of face value of ₹ 1 each aggregating up to ₹ [●] million ⁽⁴⁾ | 100,000 | [●] |
| | Net Offer of [●] Equity Shares of face value of ₹ 1 each | [●] | [●] |
| D. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER⁺ | | | |
| | [●] Equity Shares of face value of ₹ 1 each | [●] | - |
| E. SECURITIES PREMIUM ACCOUNT | | | |
| | Before the Offer | | 40,090,470,456 |
| | After the Offer | | [●] |

*To be updated upon finalisation of the Offer Price, and subject to the Basis of Allotment.

⁺ Assuming full subscription in the Offer.

⁽¹⁾ For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see “**History and Certain Corporate Matters – Amendments to our Memorandum of Association in the last 10 years**” on page 326.

⁽²⁾ Our Board has authorised the Offer, pursuant to their resolution dated August 27, 2024. Our Shareholders have authorised the Fresh Issue pursuant to special resolution dated September 5, 2024. Further, our Board has taken on record the consent for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated April 4, 2025.

⁽³⁾ The Selling Shareholders, severally and not jointly, confirm that its respective portion of the Offered Shares are eligible for being offered for sale in the Offer in accordance with the Regulation 8 of the SEBI ICDR Regulations. Each Selling Shareholder has, severally and not jointly, confirmed that it is in compliance with the conditions specified in Regulation 8A of the SEBI ICDR Regulations, to the extent applicable to it as on the date of the Draft Red Herring Prospectus and as on the date of this Red Herring Prospectus and has authorized its participation in the Offer for Sale. For details on authorisation of the Selling Shareholders in relation to their respective portion of the Offered Shares, see “**The Offer**” and **Other Regulatory and Statutory Disclosures**” beginning on pages 107 and 492, respectively.

⁽⁴⁾ Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of allocation made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000 net of Employee Discount), shall be added to the Net Offer. Our Company, in consultation with the BRLMs, may offer a discount of [●]% on

*the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees bidding in the Employee Reservation Portion which shall be announced two Working Days prior to the Bid/Offer Opening Date. For further details, see “**Offer Procedure**” and “**Offer Structure**” beginning on pages 519 and 514, respectively.*

Notes to Capital Structure

1. Equity share capital history of our Company

- (a) The following table sets forth the history of the equity share capital of our Company:

[the remainder of this page has been intentionally left blank]

| Date of allotment | Nature of allotment | Details of allottees | Number of equity shares allotted | Cumulative number of equity shares | Face value per equity share (₹) | Issue price per equity share (₹) | Cumulative paid-up equity share capital (in ₹) | Nature of consideration |
|---|--|---|----------------------------------|------------------------------------|---------------------------------|----------------------------------|--|--|
| October 21, 2013 | Allotment pursuant to initial subscription to the Memorandum of Association | Allotment of 5,000 equity shares to Tarun Sanjay Mehta and 5,000 equity shares to Swapnil Babanlal Jain (as initial subscribers to the Memorandum of Association) | 10,000 | 10,000 | 10 | 10 | 100,000 | Cash |
| October 20, 2014 | Pursuant to the incubation agreement dated December 23, 2013 superseded by the graduation agreement dated October 14, 2014 | Allotment of 526 equity shares to IITM Incubation Cell | 526 | 10,526 | 10 | N.A. | 105,260 | Consideration other than Cash [@] |
| | Allotment pursuant to the conversion of 250,000 compulsorily convertible debentures of face value ₹10 each | Allotment of 353 equity shares to Venkatachary Srinivasan pursuant to conversion of 250,000 compulsorily convertible debentures of face value ₹10 each | 353 | 10,879 | 370 | 7,745.00 | 235,870 | Cash* |
| Pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting on March 13, 2015, the face value of existing authorised share capital of our Company was subdivided in the ratio of 1:10 to ₹ 1,105,000 divided into 105,260 equity shares of face value ₹1 each, 3,530 equity shares of face value ₹37 each and 23,490 CCPS of face value of ₹37 each ^{@@} . Thereafter, the authorised share capital of our Company was increased to ₹1,179,832 divided into 105,360 equity shares of face value ₹1 each, 3,530 equity shares of face value ₹37 each and 23,490 CCPS of face value ₹37 each and 74,732 Series A Preference Shares of face value ₹1 each. | | | | | | | | |
| March 30, 2015 | Private Placement | Allotment of 100 Equity Shares to Internet Fund III Pte. Ltd. | 100 | 108,890 | 1 | 10,067.40 | 235,970 | Cash |
| September 24, 2016 | Allotment pursuant to exercise of ESOPs under the Ather Energy ESOP 2015 and Companies (Share Capital and Debentures) | Allotment of 25 Equity Shares to Abhishek Venkataraman | 25 | 108,915 | 1 | 1 | 235,995 | Cash |

| Date of allotment | Nature of allotment | Details of allottees | Number of equity shares allotted | Cumulative number of equity shares | Face value per equity share (₹) | Issue price per equity share (₹) | Cumulative paid-up equity share capital (in ₹) | Nature of consideration |
|---|--|--|----------------------------------|------------------------------------|---------------------------------|----------------------------------|--|---------------------------------|
| | Rules, 2014 | | | | | | | |
| October 20, 2016 | Private Placement | Allotment of 220 Equity Shares to R. Mahadevan | 220 | 109,135 | 1 | N.A. | 236,215 | Consideration other than Cash** |
| January 5, 2017 | Private Placement | Allotment of 100 Equity Shares to Hero MotoCorp Limited | 100 | 109,235 | 1 | 20,202.11 | 236,315 | Cash |
| May 27, 2019 | Private Placement | Allotment of 100 Equity Shares to Sachin Bansal | 100 | 109,335 | 1 | 73,829.24 | 236,415 | Cash |
| February 21, 2022 | Rights issue | Allotment of 4,027 Equity Shares to Sachin Bansal and 998 Equity Shares to Hero MotoCorp Limited | 5,025 | 114,360 | 1 | 1 | 241,440 | Cash |
| May 18, 2022 | Private Placement | Allotment of 100 Equity Shares to National Investment and Infrastructure Fund II (<i>represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited</i>) and 100 Equity Shares to Caladium Investment Pte Ltd | 200 | 114,560 | 1 | 48,926.00 | 241,640 | Cash |
| Pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting on June 21, 2024, the outstanding 3,530 equity shares of face value ₹37 each were subdivided into 130,610 Equity Shares of face value ₹1 each. | | | | | | | | |
| June 22, 2024 | Bonus issue in the ratio of 224:1 (in respect of outstanding equity shares of face value of ₹ 37 each as on the record date i.e., June 21, 2024) | Allotment of 790,720 Equity Shares to Venkatachary Srinivasan | 790,720 | 905,280 | 1 | N.A. | 1,032,360 | N.A. |
| | Bonus issue in the ratio of 260:1 (in respect of outstanding Equity Shares of face value of ₹ 1 each as on the record date i.e., June 21, 2024) | Allotment of 10,348,000 Equity Shares to Tarun Sanjay Mehta, Allotment of 780,000 Equity Shares to Mehta Family Trust, Allotment of 520,000 Equity Shares to Tarun Swarna Family Trust Allotment of 10,348,000 Equity Shares to Swapnil Babanlal Jain, Allotment of 650,000 Equity Shares to Babanlal Gridharilal Jain, Allotment of 650,000 Equity Shares to Jain Family Trust, | 28,867,800 | 29,773,080 | 1 | N.A. | 29,900,160 | N.A. |

| Date of allotment | Nature of allotment | Details of allottees | Number of equity shares allotted | Cumulative number of equity shares | Face value per equity share (₹) | Issue price per equity share (₹) | Cumulative paid-up equity share capital (in ₹) | Nature of consideration |
|-------------------|--|---|----------------------------------|------------------------------------|---------------------------------|----------------------------------|--|-------------------------|
| | | Allotment of 2,189,200 Equity Shares to Arun Vinayak Srinivasan, Allotment of 1,367,600 Equity Shares to IITM Incubation Cell, Allotment of 1,047,020 Equity Shares to Sachin Bansal, Allotment of 343,200 Equity Shares to Asha Krishnakumar, Allotment of 285,480 Equity Shares to Hero MotoCorp Limited, Allotment of 171,600 Equity shares to Achal Kothari, Allotment of 57,200 Equity Shares to R. Mahadevan, Allotment of 26,000 Equity Shares to Internet Fund III Pte Ltd., Allotment of 13,000 Equity Shares to NKSquared (50% of which is held by each of Nithin Kamath and Nikhil Kamath), Allotment of 13,000 Equity Shares to Kamath Associates (50% of which is held by each of Nithin Kamath and Nikhil Kamath), Allotment of 26,000 Equity Shares to National Investment and Infrastructure Fund II (<i>represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited</i>), Allotment of 6,500 Equity Shares to Abhishek Venkataraman and Allotment of 26,000 Equity Shares to Caladium Investment Pte Ltd | | | | | | |
| July 4, 2024 | Exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014 | Allotment of 453,618 Equity Shares to Tarun Sanjay Mehta and 453,618 Equity Shares to Swapnil Babanlal Jain | 907,236 | 30,807,396 | 1 | Negligible*** | 30,807,396 | Cash |
| February 25, 2025 | Allotment pursuant to conversion of Series F CCPS | Allotment of 9,676,314 Equity Shares to Tarun Sanjay Mehta and 9,676,314 Equity Shares to Swapnil Babanlal Jain | 19,352,628 | 50,160,024 | 1 | N.A.^ | 50,160,024 | N.A.^ |

| Date of allotment | Nature of allotment | Details of allottees | Number of equity shares allotted | Cumulative number of equity shares | Face value per equity share (₹) | Issue price per equity share (₹) | Cumulative paid-up equity share capital (in ₹) | Nature of consideration |
|-------------------|---|--|----------------------------------|------------------------------------|---------------------------------|----------------------------------|--|-------------------------|
| March 8, 2025 | Allotment pursuant to conversion of Series Seed – One CCPS, Series Seed - Two CCPS, Series Seed - Three CCPS, Series Seed - Four CCPS, Series A CCPS, Series B CCPS, Series B1 CCPS, Series C CCPS, Series C1 CCPS, Series D CCPS, Series E CCPS, Series E1 CCPS, Series E2 CCPS, and CCPS. | Allotment of 185,310 Equity Shares to IITMS Rural Technology and Business Incubator, Allotment of 2,857,950 Equity Shares to 3State Ventures Pte. Ltd., Allotment of 19,734,732 Equity Shares to Internet Fund III Pte Ltd., Allotment of 9,657 Equity Shares to Abhishek Venkataramn, Allotment of 41,760 Equity Shares to Gurusankar Sankraraman, Allotment of 41,760 Equity Shares to Jayaprakash Vijayan, Allotment of 41,760 Equity Shares to Volpi Cupal Trust [#] , Allotment of 41,760 Equity Shares to Sagar Meher Pushpala, Allotment of 113,745,627 Equity Shares to Hero MotoCorp Limited, Allotment of 6,864,561 Equity Shares to NKSquared (50% of which is held by each of Nithin Kamath and Nikhil Kamath), Allotment of 6,864,300 Equity Shares to Kamath Associates (50% of which is held by each of Nithin Kamath and Nikhil Kamath), Allotment of 20,385,927 Equity Shares to National Investment and Infrastructure Fund II (<i>represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited</i>), Allotment of 46,488,276 Equity Shares to Caladium Investment Pte Ltd, Allotment of 407,943 Equity Shares to Innoven Capital India Fund, Allotment of 251,082 Equity shares to Herald Square Ventures, Allotment of 7,830 Equity Shares to Guerrilla Ventures Private Limited, Allotment of 18,531 Equity shares to Amit Bhatia, Allotment of 13,311 Equity Shares to Karandeep Singh, Allotment of 15,921 Equity | 240,483,445 | 290,643,469 | 1 | N.A.^ | 290,643,469 | N.A.^ |

| Date of allotment | Nature of allotment | Details of allottees | Number of equity shares allotted | Cumulative number of equity shares | Face value per equity share (₹) | Issue price per equity share (₹) | Cumulative paid-up equity share capital (in ₹) | Nature of consideration |
|-------------------|---------------------|--|----------------------------------|------------------------------------|---------------------------------|----------------------------------|--|-------------------------|
| | | shares to Amod Malviya and Allotment of 22,465,447 Equity Shares to India-Japan Fund (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | | | | | | |

*Consideration was paid at the time of issue of the compulsorily convertible debentures of face value ₹10 each.

**Pursuant to the advisory agreement dated December 29, 2015, in lieu of the payment for advisory services provided by R. Mahadevan for a value amounting to ₹1,859,926, 220 Equity Shares were allotted and consideration of ₹ 220 was paid for the shares which were allotted on a preferential basis. Such allotment was undertaken at a fair market value of ₹ 8,454.21 per Equity Share, in accordance with the valuation report dated November 17, 2015 provided by a chartered accountant firm registered with ICAI, on the basis of the discounted cash flow method.

***The value of the issue price per equity share is nominal and less than ₹1.

#As on the date of this Red Herring Prospectus, converted shares resulting from conversion of respective series of CCPS held by Volpi Cupal Trust are transferred in an unclaimed suspense escrow demat account as their demat account is not opened and operational.

^Consideration was paid at the time of issue of compulsorily convertible preference shares.

@ Pursuant to the terms of the incubation agreement dated December 23, 2013 superseded by the graduation agreement dated October 14, 2014, our Company had agreed to allot 5% of its paid-up share capital to IITM Incubation Cell, in light of the assistance provided by IITM Incubation Cell in the form of physical infrastructure, mentorship and support as applicable to an incubated company to help its business succeed.

Accordingly, 526 equity shares of face value of ₹ 10 each were allotted to IITM Incubation Cell. In compliance with applicable laws, no valuation was required to be conducted in respect of this allotment.

@ @ 353 equity shares of face value of ₹ 370 each were allotted to Venkatachary Srinivasan on October 20, 2014 pursuant to conversion of 250,000 compulsorily convertible debentures of face value ₹10 each that were issued to him in accordance with the terms of the Compulsorily Convertible Debentures Subscription Agreement dated February 20, 2014. Such 353 equity shares of face value of ₹370 each were subsequently split into 3,530 Equity Shares bearing face value ₹ 37 each, respectively, by way of a Shareholders' resolution dated March 13, 2015. All other outstanding Equity Shares of our Company were, (i) in respect of equity shares of face value of ₹ 10 each, which were then split into Equity Shares bearing face value ₹1 each or, (ii) in respect of Equity Shares bearing face value ₹ 1 each. The Company's memorandum of association and articles of association provided for issuance of equity shares of face value of ₹ 10 each and ₹ 370 each. Accordingly, the equity shares of face value of ₹ 10 and ₹ 370 were allotted to the shareholders in accordance with the provisions of the memorandum of association and articles of association and in compliance with the Companies Act, 2013, as amended.

Our Company is in compliance with the Companies Act and the rules made thereunder with respect to the securities issued by us from the date of incorporation, as certified by BMP and Co., LLP, company secretaries pursuant to their certificate dated April 22, 2025.

2. Preference share capital history of our Company

Our Company does not have any outstanding preference share capital as on the date of this Red Herring Prospectus.

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|---|---------------------|----------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|
| Series Seed – One CCPS[#] | | | | | | | | | | | |
| October 20, | Conversion | Allotment of | 71 | 370 | 21,696.17 | Cash | 71 | 26,270 | 261:1 | 185,310 | 8.31 |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid- up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|---------------------------------------|---|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|---|---|--|---|
| 2014 | of loan together with the interest accrued amounting to ₹1,540,428 pursuant to the loan agreement dated March 5, 2014 and amendments thereto to Series Seed - One CCPS | 71 Series Seed - One CCPS to IITMS Rural Technology and Business Incubator | | | | | | | | | |
| March 13, 2015 | Sub-division of Series Seed – One CCPS of face value of ₹370 each to Series Seed – One CCPS of face value of ₹37 each, resulting in 710 Series Seed – One CCPS of face value of ₹37 each. | | | | | | | | | | |
| Series Seed – Two CCPS [#] | | | | | | | | | | | |
| November 13, 2014 | Private Placement | Allotment of 53 Series Seed - Two CCPS to Raji Raju | 53 | 370 | 28,301.89 | Cash | 53 | 45,880 | 261:1 | 138,330 | 10.84 |
| March 13, 2015 | Sub-division of Series Seed – Two CCPS of face value of ₹370 each to Series Seed – Two CCPS of face value of ₹37 each, resulting in 530 Series Seed – Two CCPS of face value of ₹37 each. | | | | | | | | | | |
| Series Seed – Three CCPS [#] | | | | | | | | | | | |
| November 13, 2014 | Private Placement | Allotment of 35 Series Seed -Three CCPS to Vishalakshy Subramaniam | 35 | 370 | 28,571.43 | Cash | 35 | 58,830 | 261:1 | 91,350 | 10.95 |
| March 13, 2015 | Sub-division of Series Seed – Three CCPS of face value of ₹370 each to Series Seed – Three CCPS of face value of ₹37 each, resulting in 350 Series Seed – Three CCPS of face value of ₹37 each. | | | | | | | | | | |
| Series Seed – Four CCPS [#] | | | | | | | | | | | |
| November 13, 2014 | Private Placement | Allotment of 1,095 Series Seed - Four | 2,190 | 370 | 28,310.50 | Cash | 2,190 | 869,130 | 261:1 | 5,715,900 | 10.85 |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|----------------------------------|---|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|
| | | CCPS to Sachin Bansal and 1,095 Series Seed - Four CCPS to Binny Bansal | | | | | | | | | |
| March 13, 2015 | Sub-division of Series Seed – Four CCPS of face value of ₹370 each to Series Seed – Four CCPS of face value of ₹37 each, resulting in 21,900 Series Seed – Four CCPS of face value of ₹37 each. | | | | | | | | | | |
| Series A CCPS[#] | | | | | | | | | | | |
| March 30, 2015 | Private Placement | Allotment of 74,732 Series A CCPS to Internet Fund III Pte. Ltd. | 74,732 | 1 | 10,067.40 | Cash | 74,732 | 943,862 | 261:1 | 19,505,052 | 38.57 |
| Series B CCPS[#] | | | | | | | | | | | |
| January 5, 2017 | Private Placement | Allotment of 89,258 Series B CCPS to Hero MotoCorp Limited | 89,258 | 10 | 20,202.11 | Cash | 89,258 | 1,836,442 | 261:1 | 23,296,338 | 77.40 |
| June 16, 2017 | Preferential allotment | Allotment of 9,928 Series B CCPS to Hero MotoCorp Limited | 9,928 | 10 | 20,202.11 | Cash | 99,186 | 1,935,722 | 261:1 | 2,591,208 | 77.40 |
| October 16, 2017 | Rights issue | Allotment of 160 Series B CCPS to Jaya Prakash Vijayan, 160 Series B CCPS to Gurusankar Sankararaman, 160 Series B | 640 | 10 | 20,202.11 | Cash | 99,826 | 1,942,122 | 261:1 | 167,040 | 77.40 |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|------------------------|---|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|
| | | CCPS to Volpi-Cupal Family Trust and 160 Series B CCPS to Sagar Meher Pushpala | | | | | | | | | |
| Series B1 CCPS# | | | | | | | | | | | |
| May 27, 2019 | Conversion of compulsorily convertible debentures of face value ₹100 each | Allotment of 29,347 Series B1 CCPS to Hero MotoCorp Limited pursuant to the conversion of the 66,320 compulsorily convertible debentures of face value ₹100 each | 29,347 | 10 | 44,297.70 | Cash* | 29,347 | 2,235,592 | 277.57764:1 | 8,146,071 | 159.59 |
| Series C CCPS# | | | | | | | | | | | |
| May 27, 2019 | Private Placement | Allotment of 29,699 Series C CCPS to Sachin Bansal | 29,699 | 10 | 73,829.24 | Cash | 29,699 | 2,532,582 | 261.01756:1 | 7,751,961 | 282.85 |
| Series C1 CCPS# | | | | | | | | | | | |
| July 28, 2020 | Private Placement | Allotment of 20,688 Series C1 CCPS to Hero MotoCorp Limited | 20,688 | 10 | 40,602 | Cash | 20,688 | 2,739,462 | 261.0378:1 | 5,400,351 | 155.54 |
| Series D CCPS# | | | | | | | | | | | |
| November | Private | Allotment of | 88,040 | 10 | 29,532 | Cash | 88,040 | 3,619,862 | 261:1 | 22,978,440 | 113.15 |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|----------------------------------|---|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|
| 7, 2020 | Placement | 30,475 Series D CCPS to Hero MotoCorp Limited and 57,565 Series D CCPS to Sachin Bansal | | | | | | | | | |
| Series E CCPS[#] | | | | | | | | | | | |
| May 18, 2022 | Conversion of compulsorily convertible debentures of face value ₹100 each | Allotment of 30,658 Series E CCPS to Hero MotoCorp Limited pursuant to conversion of 30,658 compulsorily convertible debentures of face value ₹100 each | 30,658 | 10 | 48,926 | Cash* | 30,658 | 3,926,442 | 261:1 | 8,001,738 | 187.46 |
| | Private Placement | Allotment of 76,546 Series E CCPS to National Investment and Infrastructure Fund II (<i>represented by and acting through its investment manager,</i> | 163,131 | 10 | 48,926 | Cash | 193,789 | 5,557,752 | 261:1 | 42,577,191 | 187.46 |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|-------------------|---------------------|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|
| | | National Investment and Infrastructure Fund Limited), 30,558 Series E CCPS to Caladium Investment Pte Ltd, 53,652 Series E CCPS to Hero MotoCorp Limited, 1,532 Series E CCPS to InnoVen Capital India Fund, 633 Series E CCPS to Herald Square Ventures (represented by its managing partner, Rajeev Mantri), 30 Series E CCPS to Guerrilla Ventures Private Limited, 70 Series E CCPS to Amit Bhatia, 50 | | | | | | | | | |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|-----------------------------------|---------------------|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|
| | | Series E CCPS to Karandeep Singh and 60 Series E CCPS to Amod Malviya | | | | | | | | | |
| Series E1 CCPS[#] | | | | | | | | | | | |
| November 9, 2022 | Private Placement | Allotment of 51,276 Series E1 CCPS to Caladium Investment Pte Ltd and 83 Series E1 CCPS to Herald Square Ventures (<i>represented by its managing partner, Rajeev Mantri</i>) | 51,359 | 10 | 78,008.00 | Cash | 51,359 | 6,071,342 | 261:1 | 13,404,699 | 298.88 |
| Series E2 CCPS[#] | | | | | | | | | | | |
| September 12, 2023 | Rights issue | Allotment of 113,404 Series E2 CCPS to Hero MotoCorp Limited, 90,723 Series E2 CCPS to Caladium Investment Pte Ltd, 37 Series E2 CCPS to | 204,391 | 10 | 44,090.00 | Cash | 204,391 | 8,115,252 | 261:1 | 53,346,051 | 168.93 |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|----------------------------------|---------------------|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|
| | | Abhishek Venkatraman and 227 Series E2 CCPS to Herald Square Ventures (represented by its managing partner, Rajeev Mantri) | | | | | | | | | |
| Series F CCPS[#] | | | | | | | | | | | |
| July 9, 2024 | Private Placement | Allotment of 37,074 Series F CCPS to Tarun Sanjay Mehta and 37,074 Series F CCPS to Swapnil Babanlal Jain | 74,148 | 1 | 11,674 | Cash | 74,148 | 8,189,400 | 261:1 | 19,352,628 | 44.73 |
| CCPS[#] | | | | | | | | | | | |
| December 7, 2023 | Bonus issue | Allotment of 4,495 bonus CCPS to Sachin Bansal in the ratio of 1,000:6,607 (1,000 bonus CCPS of ₹ 10 each for every 6,607 Series C CCPS of ₹ 10 each) | 4,495 | 10 | N.A. | N.A. | 4,495 | 8,234,350 | 261:1 | 1,173,195 | N.A. |
| | | Allotment of | 4,700 | 10 | N.A. | N.A. | 9,195 | 8,281,350 | 261:1 | 1,226,700 | N.A. |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid- up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|-------------------|---------------------|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|---|---|--|---|
| | | 4,700 bonus CCPS to Hero MotoCorp Limited in the ratio of 1,000:4,401 (1,000 bonus CCPS of ₹ 10 each for every 4,401 Series C1 CCPS of ₹ 10 each) | | | | | | | | | |
| | | Allotment of 1,561 bonus CCPS to National Investment and Infrastructure Fund II (<i>represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited</i>), 623 bonus CCPS to Caladium Investment Pte Ltd, 1,720 bonus CCPS | 3,950 | 10 | N.A | N.A. | 13,145 | 8,320,850 | 261:1 | 1,030,950 | N.A. |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid- up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|-------------------|---------------------|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|---|---|--|---|
| | | to Hero MotoCorp Limited, 31 bonus CCPS to InnoVen Capital India Fund, 12 bonus CCPS to Herald Square Ventures <i>(represented by its managing partner, Rajeev Mantri)</i> , 1 bonus CCPS to Amit Bhatia, 1 bonus CCPS to Karandeep Singh, and 1 bonus CCPS to Amod Malviya in the ratio of 1,000:49,006 (1,000 bonus CCPS of ₹ 10 each for every 49,006 Series E CCPS of ₹ 10 each) | | | | | | | | | |
| | | Allotment of, 4,936 bonus | 4,943 | 10 | N.A. | N.A. | 18,088 | 8,370,280 | 261:1 | 1,290,123 | N.A. |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|-------------------|---------------------|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|
| | | CCPS to Caladium Investment Pte Ltd, 7 bonus CCPS to Herald Square Ventures (represented by its managing partner, Rajeve Mantri) in the ratio of 1,000:10,387 (1,000 bonus CCPS of ₹ 10 each for every 10,387 Series E1 CCPS of ₹ 10 each) | | | | | | | | | |
| September 4, 2024 | Private Placement | Allotment of 16,528,925 Series G CCPS to India-Japan Fund (represented by and acting through its investment manager, National Investment and Infrastructure | 16,528,925 | 10 | 363 | Cash | 16,547,013 | 173,659,530 | 1.3591596:1 | 22,465,447 | 267.08 |

| Date of allotment | Nature of allotment | Details of allottees | Number of preference shares allotted | Face value per preference share (₹) | Issue price per preference share (₹) | Nature of consideration | Cumulative number of Preference Shares | Cumulative paid-up Preference Share capital (in ₹) | Conversion Ratio (Equity Shares: Preference Shares) | Number of Equity Shares allotted post conversion | Price per Equity Share (based on conversion ratio) (in ₹) |
|-------------------|---------------------|----------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|
|-------------------|---------------------|----------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------|--|--|---|--|---|

Fund Limited)

*Consideration was paid at the time of issue of the compulsorily convertible debentures of face value ₹10 each.

#As on the date of the Draft Red Herring Prospectus, there were 17,436,522 Preference Shares that were outstanding. As on the date of this Red Herring Prospectus filed with the RoC the following CCPS have been converted to 259,836,073 Equity Shares in accordance with the SEBI ICDR Regulations:

- (a) 710 Series Seed - One CCPS converted to 185,310 Equity Shares.
- (b) 530 Series Seed - Two CCPS converted to 138,330 Equity Share.
- (c) 350 Series Seed - Three CCPS converted to 91,350 Equity Shares.
- (d) 21,900 Series Seed - Four CCPS converted to 5,715,900 Equity Shares.
- (e) 74,732 Series A CCPS converted to 19,505,052 Equity Shares.
- (f) 99,826 Series B CCPS converted to 26,054,586 Equity Shares.
- (g) 29,347 Series B1 CCPS converted to 8,146,071 Equity Shares.
- (h) 29,699 Series C CCPS converted to 7,751,961 Equity Shares.
- (i) 20,688 Series C1 CCPS converted to 5,400,351 Equity Shares.
- (j) 88,040 Series D CCPS converted to 22,978,440 Equity Shares.
- (k) 193,789 Series E CCPS converted to 50,578,929 Equity Shares.
- (l) 51,359 Series E1 CCPS converted to 13,404,699 Equity Shares.
- (m) 204,391 Series E2 CCPS converted to 53,346,051 Equity Shares.
- (n) 74,148 Series F CCPS converted to 19,352,628 Equity Shares.
- (o) 18,088 CCPS converted to 4,720,968, Equity Shares and 16,528,925 Series G CCPS converted to 22,465,447 Equity Shares.

3. Secondary Transactions

The details of secondary transactions of specified securities of our Company by our Promoters, members of the Promoter group and the Selling Shareholders is set forth in the table below:

| Date of transfer of securities | Number of securities Transferred | Nature of securities | Details of transferor(s) | Details of transferee(s) | Transfer/ transmission | Face value per security (in ₹) | Face value per security (adjusted for Corporate Actions) (in ₹) | Transfer price of security (in ₹) | Transfer price of security (adjusted for Corporate Actions) (in ₹) | Nature of consideration |
|--|----------------------------------|-------------------------|--------------------------|---------------------------|------------------------|--------------------------------|---|-----------------------------------|--|-------------------------|
| Promoter: Tarun Sanjay Mehta | | | | | | | | | | |
| May 16, 2014 | 421 | Equity Shares | Tarun Sanjay Mehta | Arun Vinayak Srinivasan | Transfer | 10 | 1 | 10 | Negligible ⁺ | Cash |
| March 10, 2015 | 33 | Equity Shares | Tarun Sanjay Mehta | Achal Kothari | Transfer | 10 | 1 | 10 | Negligible ⁺ | Cash |
| March 10, 2015 | 66 | Equity Shares | Tarun Sanjay Mehta | Asha Krishnakumar | Transfer | 10 | 1 | 7,744.05 | 2.97 | Cash |
| March 26, 2024 | 3,000 | Equity Shares | Tarun Sanjay Mehta | Mehta Family Trust | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| March 26, 2024 | 2,000 | Equity Shares | Tarun Sanjay Mehta | Tarun Swarna Family Trust | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| Promoter: Swapnil Babanlal Jain | | | | | | | | | | |
| May 16, 2014 | 421 | Equity Shares | Swapnil Babanlal Jain | Arun Vinayak Srinivasan | Transfer | 10 | 1 | 10 | Negligible ⁺ | Cash |
| March 10, 2015 | 33 | Equity Shares | Swapnil Babanlal Jain | Achal Kothari | Transfer | 10 | 1 | 10 | Negligible ⁺ | Cash |
| March 10, 2015 | 66 | Equity Shares | Swapnil Babanlal Jain | Asha Krishnakumar | Transfer | 10 | 1 | 7,744.05 | 2.97 | Cash |
| June 4, 2024 | 2,500 | Equity Shares | Swapnil Babanlal Jain | Babanlal Girdharilal Jain | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| June 6, 2024 | 2,500 | Equity Shares | Swapnil Babanlal Jain | Jain Family Trust | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| Promoter: Hero MotoCorp Limited | | | | | | | | | | |
| March 20, 2024 | 7,759 | Series C CCPS | Sachin Bansal | Hero MotoCorp Limited | Transfer | 10 | 10 | 44,090.00 | 168.91 | Cash |
| March 20, 2024 | 20,189 | Series D CCPS | Sachin Bansal | Hero MotoCorp Limited | Transfer | 10 | 10 | 44,090.00 | 168.93 | Cash |
| March 20, 2024 | 3,672 | Series Seed - Four CCPS | Sachin Bansal | Hero MotoCorp Limited | Transfer | 37 | 37 | 44,090.00 | 168.93 | Cash |
| August 2, 2024 | 8,450 | Series C CCPS | Sachin Bansal | Hero MotoCorp Limited | Transfer | 10 | 10 | 55,000.00 | 210.70 | Cash |
| August 2, 2024 | 5,543 | Series D CCPS | Sachin Bansal | Hero MotoCorp Limited | Transfer | 10 | 10 | 55,000.00 | 210.73 | Cash |
| August 2, 2024 | 4,495 | CCPS | Sachin Bansal | Hero MotoCorp Limited | Transfer | 10 | 10 | 55,000.00 | 210.73 | Cash |
| August 5, 2024 | 1,051,047 | Equity Shares | Sachin Bansal | Hero MotoCorp Limited | Transfer | 1 | 1 | 210.73 | 210.73 | Cash |
| Promoter Group: Mehta Family Trust | | | | | | | | | | |
| March 26, 2024 | 3,000 | Equity Shares | Tarun Sanjay Mehta | Mehta Family Trust | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| Promoter Group: Tarun Swarna Family Trust | | | | | | | | | | |
| March 26, 2024 | 2,000 | Equity Shares | Tarun Sanjay Mehta | Tarun Swarna Family Trust | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| Promoter Group: Jain Family Trust | | | | | | | | | | |
| June 6, 2024 | 2,500 | Equity Shares | Swapnil Babanlal Jain | Jain Family Trust | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| Promoter Group: Babanlal Girdharilal Jain | | | | | | | | | | |

| Date of transfer of securities | Number of securities Transferred | Nature of securities | Details of transferor(s) | Details of transferee(s) | Transfer/ transmission | Face value per security (in ₹) | Face value per security (adjusted for Corporate Actions) (in ₹) | Transfer price of security (in ₹) | Transfer price of security (adjusted for Corporate Actions) (in ₹) | Nature of consideration |
|--|----------------------------------|--------------------------|---------------------------|-----------------------------|------------------------|--------------------------------|---|-----------------------------------|--|-------------------------|
| June 4, 2024 | 2,500 | Equity Shares | Swapnil Babanlal Jain | Babanlal Girdharilal Jain | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| August 7, 2024 | 652,500 | Equity Shares | Babanlal Girdharilal Jain | Swapnil Jain Family Trust | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| Promoter Group: Swapnil Jain Family Trust | | | | | | | | | | |
| August 7, 2024 | 652,500 | Equity Shares | Babanlal Girdharilal Jain | Swapnil Jain Family Trust | Gift | 1 | 1 | N.A. | N.A. | N.A. |
| Selling Shareholder: Internet Fund III Pte. Ltd | | | | | | | | | | |
| September 29, 2015 | 530 | Series Seed – Two CCPS | Raji Raju | Internet Fund III Pte. Ltd. | Transfer | 37 | 37 | 10,227.27 | 39.18 | Cash |
| September 29, 2015 | 350 | Series Seed – Three CCPS | Vishalakshy Subramaniam | Internet Fund III Pte. Ltd. | Transfer | 37 | 37 | 10,227.27 | 39.18 | Cash |

⁺ This is less than ₹1.

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4. Shares issued for consideration other than cash (excluding bonus issuance)

Except as disclosed below, our Company has not issued any equity shares for consideration other than cash since its incorporation:

| Date of allotment | Reason of allotment | Details / Names of allottees | Face value per equity share (₹) | Issue price | Benefits accrued pursuant to the allotment |
|-------------------|--|---|---------------------------------|-------------|--|
| October 20, 2014 | Pursuant to incubation agreement dated December 23, 2013 superseded by the graduation agreement dated October 14, 2014 | Allotment of 526 equity shares to IITM Incubation Cell [®] | 10 | N.A. | Assistance in the form of physical infrastructure, mentorship and such support as applicable to an incubated company to help its business succeed. |
| October 20, 2016 | Private Placement | Allotment of 220 Equity Shares to R. Mahadevan [*] | 1 | N.A. | R. Mahadevan has advised our Company on overall business strategy and assisted our Company in compliance with applicable laws and provided other services. |

[®]Pursuant to the terms of the incubation agreement dated December 23, 2013 superseded by the graduation agreement dated October 14, 2014, our Company had agreed to allot 5% of its paid-up share capital to IITM Incubation Cell, in light of the assistance provided by IITM Incubation Cell in the form of physical infrastructure, mentorship and support as applicable to an incubated company to help its business succeed. Accordingly, 526 equity shares of face value of ₹ 10 each were allotted to IITM Incubation Cell. In compliance with applicable laws, no valuation was required to be conducted in respect of this allotment.

^{*} Consideration of ₹ 220 was paid for the shares being allotted in lieu of the advisory services provided by R. Mahadevan pursuant to the advisory agreement dated December 29, 2015 for a value amounting to ₹ 1,859,926.

Our Company has not issued any preference shares for consideration other than cash (excluding bonus issuance) since its incorporation.

5. Shares issued out of revaluation reserves

Our Company has not issued any equity shares or preference shares out of revaluation reserves since its incorporation.

6. Issue of equity shares pursuant to Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013

Our Company has not allotted any equity shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections or Section 230 to 234 of the Companies Act, 2013.

7. Issue of specified securities at a price lower than the Offer Price in the last year

Except for the below allotment(s), our Company has not issued any equity shares during a period of one year preceding the date of this Red Herring Prospectus at a price which may be lower than the Offer Price:

| Date of allotment | Number of equity shares allotted | Face value per equity share (₹) | Details of allottees | Issue price per equity share (₹) | Nature of Consideration | Whether allottees are part of the Promoter Group | Reason/ Nature of allotment or transfer |
|-------------------|----------------------------------|---------------------------------|---|----------------------------------|-------------------------|--|---|
| June 22, 2024 | 790,720 | 1 | Allotment of 790,720 equity shares to Venkatachary Srinivasan | N.A | N.A | No | Bonus issue |

| Date of allotment | Number of equity shares allotted | Face value per equity share (₹) | Details of allottees | Issue price per equity share (₹) | Nature of Consideration | Whether allottees are part of the Promoter Group | Reason/ Nature of allotment or transfer |
|-------------------|----------------------------------|---------------------------------|---|----------------------------------|-------------------------|--|--|
| | 28,867,800 | 1 | Allotment of 10,348,000 Equity Shares to Tarun Sanjay Mehta, Allotment of 780,000 Equity Shares to Mehta Family Trust, Allotment of 520,000 Equity Shares to Tarun Swarna Family Trust, Allotment of 10,348,000 Equity Shares to Swapnil Babanlal Jain, Allotment of 650,000 Equity Shares to Babanlal Girdharilal Jain, Allotment of 650,000 Equity Shares to Jain Family Trust, Allotment of 2,189,200 Equity Shares to Arun Vinayak Srinivasan, Allotment of 1,367,600 Equity shares to IITM Incubation Cell, Allotment of 1,047,020 Equity Shares to Sachin Bansal, Allotment of 343,200 Equity Shares to Asha Krishnakumar, Allotment of 285,480 Equity Shares to Hero MotoCorp Limited, Allotment of 171,600 Equity shares to Achal Kothari, Allotment of 57,200 Equity Shares to R. Mahadevan, Allotment of 26,000 Equity Shares to Internet Fund III Pte Ltd., Allotment of 13,000 Equity Shares to NKSquared, Allotment of 13,000 Equity Shares to Kamath Associates, Allotment of 26,000 Equity Shares to National Investment and Infrastructure Fund II (<i>represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited</i>), Allotment of 6,500 Equity Shares to Abhishek Venkataraman and Allotment of 26,000 Equity Shares to Caladium Investment Pte Ltd | N.A | N.A | Yes, Tarun Sanjay Mehta, Swapnil Babanlal Jain, Babanlal Girdharilal Jain, Mehta Family Trust, Jain Family Trust, Tarun Swarna Family Trust, Hero MotoCorp Limited are individuals and entities forming a part of our Promoter Group | Bonus issue |
| July 4, 2024 | 907,236 | | Allotment of 453,618 Equity Shares to Tarun Sanjay Mehta and 453,618 Equity Shares to Swapnil Babanlal Jain | Negligible* | Cash | Yes, Tarun Sanjay Mehta and Swapnil Babanlal Jain are individuals forming a part of our Promoter Group | Exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014 |
| February 25, 2025 | 19,352,628 | | Allotment of 9,676,314 Equity Shares to Tarun Sanjay Mehta and 9,676,314 Equity Shares to Swapnil Babanlal Jain | N.A. | N.A.^ | Yes, Tarun Sanjay Mehta and Swapnil Babanlal Jain, | Allotment pursuant to conversion of Series F |

| Date of allotment | Number of equity shares allotted | Face value per equity share (₹) | Details of allottees | Issue price per equity share (₹) | Nature of Consideration | Whether allottees are part of the Promoter Group | Reason/ Nature of allotment or transfer |
|-------------------|----------------------------------|---------------------------------|--|----------------------------------|-------------------------|--|--|
| | | | | | | are individuals forming a part of our Promoter Group | CCPS |
| March 8, 2025 | 240,483,445 | 1 | Allotment of 185,310 Equity Shares to IITMS Rural Technology and Business Incubator, Allotment of 2,857,950 Equity Shares to 3State Ventures Pte. Ltd., Allotment of 19,734,732 Equity Shares to Internet Fund III Pte Ltd., Allotment of 9,657 Equity Shares to Abhishek Venkatraman, Allotment of 41,760 Equity Shares to Gurusankar Sankraraman, Allotment of 41,760 Equity Shares to Jayaprakash Vijayan, Allotment of 41,760 Equity Shares to Volpi Cupal Trust#, Allotment of 41,760 Equity Shares to Sagar Meher Pushpala, Allotment of 113,745,627 Equity Shares to Hero MotoCorp Limited, Allotment of 6,864,561 Equity Shares to NKSquared, Allotment of 6,864,300 Equity Shares to Kamath Associates, Allotment of 20,385,927 Equity Shares to National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited), Allotment of 46,488,276 Equity Shares to Caladium Investment Pte Ltd, Allotment of 407,943 Equity Shares to Innoven Capital India Fund, Allotment of 251,082 Equity shares to Herald Square Ventures (represented by its managing partner, Rajeev Mantri), Allotment of 7,830 Equity Shares to Guerrilla Ventures Private Limited, Allotment of 18,531 Equity shares to Amit Bhatia, Allotment of 13,311 Equity Shares to Karandeep Singh, Allotment of 15,921 Equity shares to Amod Malviya and Allotment of 22,465,447 Equity Shares to India-Japan Fund (represented by and | N.A. | N.A.^ | Yes, Hero MotoCorp Limited is an entity forming a part of our Promoter Group | Allotment pursuant to conversion of Series Seed – One CCPS, Series Seed – Two CCPS, Series Seed – Three CCPS, Series Seed – Four CCPS, Series A CCPS, Series B CCPS, Series B1 CCPS, Series C CCPS, Series C1 CCPS, Series D CCPS, Series E CCPS, Series E1 CCPS, Series E2 CCPS and CCPS. |

| Date of allotment | Number of equity shares allotted | Face value per equity share (₹) | Details of allottees | Issue price per equity share (₹) | Nature of Consideration | Whether allottees are part of the Promoter Group | Reason/ Nature of allotment or transfer |
|-------------------|----------------------------------|---------------------------------|---|----------------------------------|-------------------------|--|---|
| | | | acting through its investment manager, National Investment and Infrastructure Fund Limited) | | | | |

[^]Consideration was paid at the time of issue of the compulsorily convertible preference shares.

^{*}The value of the issue price per equity share is nominal and less than ₹1.

[#]As on the date of this Red Herring Prospectus, converted shares resulting from conversion of respective series of CCPS held by Volpi Cupal Trust are transferred in an unclaimed suspense escrow demat account as their demat account is not opened and operational.

Except for the below allotments, our Company has not issued any preference shares during a period of one year preceding the date of this Red Herring Prospectus at a price which may be lower than the Offer Price:

| Date of allotment | Number of Preference Shares allotted | Face value per Preference Share (₹) | Details of allottees | Issue price per Preference Share (₹) | Nature of Consideration | Whether allottees are part of the Promoter Group | Reason/Nature of allotment or transfer |
|-------------------|--------------------------------------|-------------------------------------|---|--------------------------------------|-------------------------|--|--|
| July 9, 2024 | 74,148 | 1 | Allotment of 37,074 Series F CCPS to Tarun Sanjay Mehta and 37,074 Series F CCPS to Swapnil Babanlal Jain | 11,674 | Cash | Yes, Tarun Sanjay Mehta and Swapnil Babanlal Jain are individuals forming a part of our Promoter Group | Private Placement |
| September 4, 2024 | 16,528,925 | 10 | Allotment of 16,528,925 Series G CCPS to India-Japan Fund (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 363 | Cash | No | Private Placement |

8. Issue of equity shares under employee stock option scheme

Except pursuant to the exercise of employee stock options granted pursuant to the ESOP Scheme, our Company has not issued any equity shares under employee stock option schemes. See “- *Notes to Capital Structure – Equity share capital history of our Company*” on page 125.

9. History of the share capital held by the Promoters

As on the date of this Red Herring Prospectus, our Promoters hold, in aggregate, 156,118,716 Equity Shares, which constitutes 51.80% of the issued, subscribed and paid-up share capital of our Company, on a fully diluted basis. All the Equity Shares held by our Promoters are in dematerialised form.

Our Promoter, Tarun Sanjay Mehta has pledged 3,119,357 Equity Shares held by him and our Promoter, Swapnil Babanlal Jain has pledged 3,119,357 Equity Shares held by him, representing 2.07% (in aggregate) of the paid-up share capital of our Company (on fully diluted basis), in favour of 360 One Prime limited (“**Lender**”), as security for a loan availed by them for the purpose of subscribing to certain securities of our Company. For details, see “- *Risk Factors- Certain of our Promoters, Directors, Key Managerial Personnel and Senior Management have interests in our Company in addition to their remuneration and reimbursement of expenses*”. The pledged shares are not being offered in the Offer for Sale and have been released from pledge subject to certain conditions mentioned in the letter from the Lender dated December 31, 2024 including: (i) re-pledge of the Equity Shares if

the Red Herring Prospectus is not filed within 15 Working Days from the date of release of the pledge (ii) re-pledge of the Equity Shares if the Offer is not consummated, i.e., listing and trading of Equity Shares on the Stock Exchanges does not take place within 28 Working Days from the date of the filing of the Red Herring Prospectus, and (iii) re-pledge of the Equity Shares, within three Working Days of listing and trading of the Equity Shares pursuant to the Offer.

a) Build-up of Promoters' shareholding in our Company

Set forth below is the equity share build-up of our Promoters since incorporation of our Company:

| Date of allotment/transfer | Number of equity shares allotted/transferred | Face value per equity share (₹) | Issue/acquisition/transfer price per equity share (₹) | Nature of consideration | Nature of transaction | % of the pre-Offer equity share capital (on a fully diluted basis)^ | % of the post-Offer equity share capital |
|----------------------------|--|---------------------------------|---|-------------------------|---|---|--|
| Tarun Sanjay Mehta | | | | | | | |
| October 21, 2013 | 5,000 | 10 | 10 | Cash | Allotment pursuant to initial subscription to the Memorandum of Association | Negligible ⁺ | [●] |
| May 16, 2014 | (421) | 10 | 10 | Cash | Transfer from Tarun Sanjay Mehta to Arun Vinayak Srinivasan | Negligible ⁺ | [●] |
| March 10, 2015 | (33) | 10 | 10 | Cash | Transfer of equity shares from Tarun Sanjay Mehta to Achal Kothari | Negligible ⁺ | [●] |
| | (66) | 10 | 7,744.05 | Cash | Transfer of equity shares from Tarun Sanjay Mehta to Asha Krishnakumar | Negligible ⁺ | [●] |
| March 13, 2015 | Pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting on March 13, 2015, the face value of existing authorised share capital of our Company was subdivided in the ratio of 1:10 to ₹ 1,105,000 divided into 105,260 equity shares of face value ₹1 each, 3,530 equity shares of face value ₹37 each and 23,490 CCPS of face value of ₹37 each. Thereafter, the authorised share capital of our Company was increased to ₹1,179,832 divided into 105,360 equity shares of face value ₹1 each, 3,530 equity shares of face value ₹37 each 23,490 CCPS of face value ₹37 each and 74,732 Series A Preference Shares of face value ₹1 each. | | | | | | |
| March 26, 2024 | (3,000) | 1 | NA | NA | Gift from Tarun Sanjay Mehta to Mehta Family Trust | Negligible ⁺ | [●] |
| | (2,000) | 1 | NA | NA | Gift from Tarun Sanjay Mehta to Tarun Swarna Family Trust | Negligible ⁺ | [●] |
| June 22, 2024 | 10,348,000 | 1 | N.A | N.A | Allotment to Tarun Sanjay Mehta pursuant to bonus issue in the ratio of 260:1 (in respect of outstanding equity shares of face value of ₹ 1 each as on the record date i.e., June 21, 2024) | 3.43% | [●] |

| Date of allotment/transfer | Number of equity shares allotted/transferred | Face value per equity share (₹) | Issue/ acquisition/ transfer price per equity share (₹) | Nature of consideration | Nature of transaction | % of the pre-Offer equity share capital (on a fully diluted basis)^ | % of the post-Offer equity share capital |
|----------------------------|--|---------------------------------|---|-------------------------|--|---|--|
| July 4, 2024 | 453,618 | 1 | Negligible* | N.A | Allotment of Equity Shares to Tarun Sanjay Mehta upon exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014 | 0.15% | [●] |
| February 25, 2025 | 9,676,314 | 1 | N.A | Cash** | Allotment of Equity Shares to Tarun Sanjay Mehta pursuant to conversion of Series F CCPS | 3.21% | [●] |
| Total (A) | 20,517,732 Equity Shares | | | | | 6.81% | [●] |
| Swapnil Babanlal Jain | | | | | | | |
| October 21, 2013 | 5,000 | 10 | 10 | Cash | Allotment pursuant to initial subscription to the Memorandum of Association | Negligible+ | [●] |
| May 16, 2014 | (421) | 10 | 10 | Cash | Transfer from Swapnil Babanlal Jain to Arun Vinayak Srinivasan | Negligible+ | [●] |
| March 10, 2015 | (33) | 10 | 10 | Cash | Transfer of equity shares from Swapnil Babanlal Jain to Achal Kothari | Negligible+ | [●] |
| | (66) | 10 | 7,744.05 | Cash | Transfer of equity shares from Swapnil Babanlal Jain to Asha Krishnakumar | Negligible+ | [●] |
| March 13, 2015 | Pursuant to a special resolution passed by our Shareholders at the extraordinary general meeting on March 13, 2015, the face value of existing authorised share capital of our Company was subdivided in the ratio of 1:10 to ₹ 1,105,000 divided into 105,260 equity shares of face value ₹1 each, 3,530 equity shares of face value ₹37 each and 23,490 CCPS of face value of ₹37 each. Thereafter, the authorised share capital of our Company was increased to ₹1,179,832 divided into 105,360 equity shares of face value ₹1 each, 3,530 equity shares of face value ₹37 each 23,490 CCPS of face value ₹37 each and 74,732 Series A Preference Shares of face value ₹1 each. | | | | | | |
| June 4, 2024 | (2,500) | 1 | NA | NA | Gift from Swapnil Babanlal Jain to Babanlal Girdharilal Jain | Negligible+ | [●] |
| June 6, 2024 | (2,500) | 1 | NA | NA | Gift from Swapnil Babanlal Jain to Jain Family Trust | Negligible+ | [●] |
| June 22, 2024 | 10,348,000 | 1 | N.A | N.A | Allotment to Swapnil Babanlal Jain pursuant to bonus issue in the ratio of 260:1 (in respect of outstanding | 3.43% | [●] |

| Date of allotment/transfer | Number of equity shares allotted/transferred | Face value per equity share (₹) | Issue/acquisition/transfer price per equity share (₹) | Nature of consideration | Nature of transaction | % of the pre-Offer equity share capital (on a fully diluted basis)^ | % of the post-Offer equity share capital |
|----------------------------|--|---------------------------------|---|-------------------------|--|---|--|
| | | | | | equity shares of face value of ₹ 1 each as on the record date i.e., June 21, 2024) | | |
| July 4, 2024 | 453,618 | 1 | Negligible* | N.A | Allotment of Equity Shares to Swapnil Babanlal Jain upon exercise of stock options pursuant to the Companies (Share Capital and Debentures) Rules, 2014 | 0.15% | [●] |
| February 25, 2025 | 9,676,314 | 1 | N.A | Cash** | Allotment of Equity Shares to Swapnil Babanlal Jain pursuant to conversion of Series F CCPS | 3.21% | [●] |
| Total (B) | 20,517,732 Equity Shares | | | | | 6.81% | [●] |
| Hero MotoCorp Limited | | | | | | | |
| January 5, 2017 | 100 | 1 | 20,202.11 | Cash | Allotment to Hero MotoCorp Limited pursuant to a private placement | Negligible+ | [●] |
| February 21, 2022 | 998 | 1 | 1 | Cash | Allotment to Hero MotoCorp Limited pursuant to a rights issue | Negligible+ | [●] |
| June 22, 2024 | 285,480 | 1 | N.A | N.A | Allotment to Hero MotoCorp Limited pursuant to bonus issue in the ratio of 260:1 (in respect of outstanding equity shares of face value of ₹ 1 each as on the record date i.e., June 21, 2024) | 0.09% | [●] |
| August 5, 2024 | 1,051,047 | 1 | 210.73 | Cash | Transfer of equity shares from Sachin Bansal to Hero MotoCorp Limited | 0.35% | [●] |
| March 8, 2025 | 113,745,627 | 1 | N.A | Cash** | Allotment of Equity Shares to Hero MotoCorp Limited pursuant to conversion of Series Seed Four CCPS, Series B CCPS, Series B1 CCPS, Series C | 37.74% | [●] |

| Date of allotment/ transfer | Number of equity shares allotted/transferred | Face value per equity share (₹) | Issue/ acquisition/ transfer price per equity share (₹) | Nature of consideration | Nature of transaction | % of the pre-Offer equity share capital (on a fully diluted basis)^ | % of the post-Offer equity share capital |
|-----------------------------|--|---------------------------------|---|-------------------------|---|---|--|
| | | | | | CCPS, Series C1 CCPS, Series D CCPS, Series E CCPS, Series E2 CCPS and CCPS | | |
| Total (C) | 115,083,252 Equity Shares | | | | | 38.19% | [●] |
| Total (A+B+C) | 156,118,716 Equity Shares | | | | | 51.80% | [●] |

*The value of the issue price per equity share is nominal and less than ₹1.

^ Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those resulting upon exercise of vested options under ESOP Scheme.

**Consideration was paid at the time of issue of the compulsorily convertible preference shares.

+This value is less than 0.05%

Set forth below is the preference share build-up of our Promoters since incorporation of our Company. Further, our Promoters do not hold any outstanding preference share as on the date of this Red Herring Prospectus:

| Date of allotment/ transfer | Number of preference shares allotted/ transferred | Face value per preference share (₹) | Issue/ acquisition/ transfer price per preference share (₹) | Nature of consideration | Nature of transaction | % of the pre-Offer equity share capital (on a fully diluted basis)^ | % of the post-Offer equity share capital# |
|--------------------------------|---|-------------------------------------|---|-------------------------|---|---|---|
| Tarun Sanjay Mehta | | | | | | | |
| Series F CCPS | | | | | | | |
| July 9, 2024 | 37,074 Series F CCPS | 1 | 11,674.00 | Cash | Allotment to Tarun Sanjay Mehta pursuant to private placement | 3.21% | [●] |
| Total (A) | 37,074 Series F CCPS | | | | | 3.21% | [●] |
| Swapnil Babanlal Jain | | | | | | | |
| Series F CCPS | | | | | | | |
| July 9, 2024 | 37,074 Series F CCPS | 1 | 11,674.00 | Cash | Allotment to Swapnil Babanlal Jain pursuant to private placement | 3.21% | [●] |
| Total (B) | 37,074 Series F CCPS | | | | | 3.21% | [●] |
| Hero MotoCorp Limited | | | | | | | |
| Series Seed - Four CCPS | | | | | | | |
| March 20, 2024 | 3,672 Series Seed Four CCPS | 37 | 44,090.00 | Cash | Transfer from Sachin Bansal to Hero MotoCorp Limited | 0.32% | [●] |
| Series B CCPS | | | | | | | |
| January 5, 2017 | 89,258 Series B CCPS | 10 | 20,202.11 | Cash | Allotment to Hero MotoCorp Limited pursuant to a private placement | 7.73% | [●] |
| June 16, 2017 | 9,928 Series B CCPS | 10 | 20,202.11 | Cash | Allotment to Hero MotoCorp Limited pursuant to a preferential allotment | 0.86% | [●] |

| Date of allotment/ transfer | Number of preference shares allotted/ transferred | Face value per preference share (₹) | Issue/ acquisition/ transfer price per preference share (₹) | Nature of consideration | Nature of transaction | % of the pre-Offer equity share capital (on a fully diluted basis)^ | % of the post-Offer equity share capital# |
|-----------------------------|---|-------------------------------------|---|-------------------------|---|---|---|
| Series B1 CCPS | | | | | | | |
| May 27, 2019 | 29,347 Series B1 CCPS | 10 | 44,297.70 | Cash* | Allotment to Hero MotoCorp Limited pursuant to conversion of 66,320 compulsorily convertible debentures of face value ₹100 each | 2.70% | [●] |
| Series C CCPS | | | | | | | |
| March 20, 2024 | 7,759 Series C CCPS | 10 | 44,090.00 | Cash | Transfer of shares from Sachin Bansal to Hero MotoCorp Limited | 0.67% | [●] |
| August 2, 2024 | 8,450 Series C CCPS | 10 | 55,000.00 | Cash | Transfer of shares from Sachin Bansal to Hero MotoCorp Limited | 0.73% | [●] |
| Series C1 CCPS | | | | | | | |
| July 28, 2020 | 20,688 Series C1 CCPS | 10 | 40,602.00 | Cash | Allotment to Hero MotoCorp Limited pursuant to a private placement | 1.79% | [●] |
| Series D CCPS | | | | | | | |
| November 7, 2020 | 30,475 Series D CCPS | 10 | 29,532.00 | Cash | Allotment to Hero MotoCorp Limited pursuant to a private placement | 2.64% | [●] |
| March 20, 2024 | 20,189 Series D CCPS | 10 | 44,090.00 | Cash | Transfer of shares from Sachin Bansal to Hero MotoCorp Limited | 1.75% | [●] |
| August 2, 2024 | 5,543 Series D CCPS | 10 | 55,000.00 | Cash | Transfer of shares from Sachin Bansal to Hero MotoCorp Limited | 0.48% | [●] |
| Series E CCPS | | | | | | | |
| May 18, 2022 | 30,658 Series E CCPS | 10 | 48,926.00 | Cash* | Allotment to Hero MotoCorp Limited pursuant to conversion of 30,658 compulsorily convertible debentures of face value ₹100 each | 2.66% | [●] |
| May 18, 2022 | 53,652 Series E CCPS | 10 | 48,926.00 | Cash | Allotment to Hero MotoCorp Limited pursuant to a private placement | 4.65% | [●] |

| Date of allotment/ transfer | Number of preference shares allotted/ transferred | Face value per preference share (₹) | Issue/ acquisition/ transfer price per preference share (₹) | Nature of consideration | Nature of transaction | % of the pre-Offer equity share capital (on a fully diluted basis)^ | % of the post-Offer equity share capital# |
|-----------------------------|--|-------------------------------------|---|-------------------------|---|---|---|
| Series E2 CCPS | | | | | | | |
| September 12, 2023 | 113,404 Series E2 CCPS | 10 | 44,090.00 | Cash | Allotment to Hero MotoCorp Limited pursuant to rights issue | 9.82% | [●] |
| CCPS | | | | | | | |
| December 7, 2023 | 1,720 CCPS | 10 | N.A. | N.A.+ | Allotment to Hero MotoCorp Limited pursuant to bonus issue in the ratio of 1,000:49,006 (1,000 bonus CCPS of ₹ 10 each for every 49,006 Series E CCPS of ₹ 10 each) | 0.15% | [●] |
| | 4,700 CCPS | 10 | N.A. | N.A.+ | Allotment to Hero MotoCorp Limited pursuant to bonus issue in the ratio of 1,000:4,401 (1,000 CCPS of ₹ 10 each for every 4,401 Series C1 CCPS of ₹ 10 each) | 0.41% | [●] |
| August 2, 2024 | 4,495 CCPS | 10 | 55,000.00 | Cash | Transfer of shares from Sachin Bansal to Hero MotoCorp Limited | 0.39% | [●] |
| Total (C) | 3,672 Series Seed – Four CCPS, 99,186 Series B CCPS, 29,347 Series B1 CCPS, 16,209 Series C CCPS, 20,688 Series C1 CCPS, 56,207 Series D CCPS, 84,310 Series E CCPS, 113,404 Series E2 CCPS, 10,915 CCPS | | | | | 37.75% | [●] |
| Total A+B+C | | | | | | 44.17% | [●] |

*Consideration was paid at the time of issue of the compulsorily convertible debentures of face value ₹100 each.

Subject to finalization of basis of Allotment.

^ Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those resulting upon exercise of vested options under ESOP Scheme. As on date of this Red Herring Prospectus, the Preference Shares have been converted to Equity Shares and no Preference Shares are outstanding as on date.

+ Shares acquired pursuant to the bonus issue

b) Shareholding of our Promoters and members of our Promoter Group

| Name | Number of Equity Shares | Pre-Offer Face value per Equity Share (₹) | Percentage of pre-Offer Equity Share capital, on a fully diluted basis (%)^ | Post-Offer# Number of Equity Shares | Percentage of post-Offer Equity Share capital (%) |
|-----------------------|-------------------------|---|---|-------------------------------------|---|
| Promoters | | | | | |
| Tarun Sanjay Mehta | 20,517,732 | 1 | 6.81% | [●] | [●] |
| Swapnil Babanlal Jain | 20,517,732 | 1 | 6.81% | [●] | [●] |
| Hero MotoCorp Limited | 115,083,252 | 1 | 38.19% | [●] | [●] |

| Name | Number of Equity Shares | Pre-Offer Face value per Equity Share (₹) | Percentage of pre-Offer Equity Share capital, on a fully diluted basis (%)^ | Post-Offer [#] Number of Equity Shares | Percentage of post-Offer Equity Share capital (%) |
|---------------------------|-------------------------|---|---|---|---|
| Total (A) | 156,118,716 | | 51.80% | [●] | [●] |
| Promoter Group | | | | | |
| Mehta Family Trust | 783,000 | 1 | 0.26% | [●] | [●] |
| Tarun Swarna Family Trust | 522,000 | 1 | 0.17% | [●] | [●] |
| Swapnil Jain Family Trust | 652,500 | 1 | 0.22% | [●] | [●] |
| Jain Family Trust | 652,500 | 1 | 0.22% | [●] | [●] |
| Total (B) | 2,610,000 | | 0.87% | [●] | [●] |
| Total (A+B) | 158,728,716 | | 52.67% | [●] | [●] |

Note: To be updated at the Prospectus stage.

[#] Subject to finalization of basis of Allotment.

[^] Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those resulting upon exercise of vested options under ESOP Scheme.

Except as disclosed above, as on the date of this Red Herring Prospectus, none of the members of the Promoter Group hold any Equity Shares. The directors of our Corporate Promoters do not hold any Equity Shares.

c) Details of minimum Promoters' contribution and lock in

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as minimum promoters' contribution and locked-in for a period of eighteen months or any other period as may be prescribed under applicable law, from the date of Allotment ("**Promoters' Contribution**"). Our Promoter's shareholding in excess of 20% shall be locked in for a period of six months from the date of Allotment. Our Promoters hold in aggregate 156,118,716 Equity Shares, which constitutes 51.80% of the issued, subscribed and paid-up share capital of our Company, on a fully diluted basis.

Our Promoters have given their consent to include such number of Equity Shares held by them, in aggregate, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution. Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of this Red Herring Prospectus, until the expiry 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 details of Equity Shares held by our Promoters, which will be locked-in for minimum Promoters' contribution for a period of eighteen months or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoters' Contribution are as provided below:

| Name of the Promoter | Number of Equity Shares held | Number of Equity Shares locked-in** | Date of allotment/transfer [#] | Face value per Equity Share (₹) | Allotment/Acquisition price per Equity Share (₹) | Nature of transaction | %of the post-Offer paid-up Capital | Date up to which the Equity Shares are subject to lock-in |
|----------------------|------------------------------|-------------------------------------|---|---------------------------------|--|-----------------------|------------------------------------|---|
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| Total | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

Note: To be updated at the Prospectus stage.

[#] Equity Shares were fully paid-up as on the date of allotment/acquisition.

^{**} Subject to finalisation of Basis of Allotment.

Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution under Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "**-History of the Share capital held by our Promoters**" on

page 147. In particular, these Equity Shares do not and shall not consist of:

- (i) Equity Shares acquired during the immediately preceding three years preceding the date of this Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets, or (b) as a result of bonus shares issued by utilization of revaluation reserves or unrealised profits or from bonus issue against Equity Shares which are otherwise in-eligible for computation of Promoters' Contribution;
- (ii) Equity Shares acquired or subscribed to during the one year preceding the date of this Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm and hence, the Equity Shares have not been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to conversion from a partnership firm or limited liability partnership; and
- (iv) Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance.

Pursuant to the SEBI ICDR Regulations, the price per share for determining securities ineligible for Promoters' Contribution, shall be determined, after adjusting the same for corporate actions such as share split, bonus issue, etc. undertaken by our Company, as applicable.

10. *Details of share capital locked-in for six months or any other period as may be prescribed under applicable law*

In terms of Regulation 17 of the SEBI ICDR Regulations, except for:

- (i) the Promoter's Contribution and any Equity Shares held by our Promoters in excess of Promoters' Contribution, which shall be locked in as above for a period of six months;
- (ii) Equity Shares allotted by our Company to Eligible Employees (or such persons as permitted under the SEBI SBEB & SE Regulations), whether currently an employee or not and including the legal heirs or nominees of any deceased employees or ex-employees, under an employee stock option prior to the Offer; and
- (iii) the Offered Shares successfully transferred by the Selling Shareholders pursuant to the Offer for Sale;

The entire pre-Offer Equity Share capital of our Company, shall, unless otherwise permitted under the SEBI ICDR Regulations, be locked in for a period of six months from the date of Allotment in the Offer, other than the Equity Shares held by National Investment and Infrastructure Fund II, India-Japan Fund, and InnoVen Capital India Fund all of which are SEBI registered AIFs in accordance with Regulation 17(c) of the SEBI ICDR Regulations. As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

In terms of Regulation 21 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be pledged only with scheduled commercial banks or public financial institutions or systemically important non-banking finance companies or deposit taking housing finance companies as collateral security for loans granted by such entity, provided that such pledge of the Equity Shares is one of the terms of the sanctioned loan. However, such lock-in will continue pursuant to any invocation of the pledge and the transferee of the Equity Shares pursuant to such invocation shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period stipulated above.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in pursuant to Regulation 16 of the SEBI ICDR Regulations, may be transferred amongst our Promoters or any member of the Promoter Group or to any new promoter, subject to continuation of lock-in in the hands of the transferees for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. The Equity Shares held by persons other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer, may be transferred to any other person holding Equity

Shares which are locked-in, subject to the continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the provisions of the Takeover Regulations.

11. Lock-in of Equity Shares to be Allotted, if any, to the Anchor Investors

50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period 90 days from the date of Allotment and the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

12. Details of sales or purchases of securities of our Company by our Promoters, directors of our Corporate Promoter, the members of our Promoter Group or our Directors or their relatives during the six months preceding the date of this Red Herring Prospectus

There has been no sale or purchase of Equity Shares and/ or Preference Shares of our Company by our Promoters, directors of our Corporate Promoter, the members of our Promoter Group or our Directors or their relatives during the six months preceding the date of this Red Herring Prospectus:

13. Our shareholding pattern

The table below represents the shareholding pattern of our Company as on the date of this Red Herring Prospectus:

| Category (I) | Category of shareholder (II) | Number of shareholders (III) | Number of fully paid up Equity Shares held (IV) | Number of partly paid-up Equity Shares held (V) | Number of shares underlying Depository Receipts (VI) | Total number of shares of face value of Re 1 held (VII) =(IV)+(V)+(VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)^ | Number of Locked in Equity Shares (XII) | | Number of Equity Shares pledged* or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|--------------|--|------------------------------|---|---|--|---|--|---|--|--------------------|--|--|---|---------------------------------|---|---------------------------------|---|
| | | | | | | | | Class eg: Equity Shares | Number of voting rights Class eg: Others | Total | Total as a % of (A+B+C) | | Number (a) | As a % of total Shares held (b) | Number (a) | As a % of total Shares held (b) | |
| (A) | Promoter and promoter group | 7 | 158,728,716 | - | - | 158,728,716 | 54.61% | 158,728,716 | - | 158,728,716 | 54.61% | - | - | - | 6,238,714 | 3.93% | 158,728,716 |
| (B) | Public | 25 | 131,914,753 | - | - | 131,914,753 | 45.39% | 131,914,753 | - | 131,914,753 | 45.39% | - | - | - | - | - | 131,914,753 [#] |
| (C) | Non-promoter – non public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Equity shares underlying depository receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Equity shares held by employee trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 32 | 290,643,469 | - | - | 290,643,469 | 100.00% | 290,643,469 | - | 290,643,469 | 100.00% | - | - | - | 6,238,714 | 3.93% | 290,643,469 |

*As of the date of this Red Herring Prospectus, the pledged shares are not being offered in the Offer for Sale and have been temporarily released from pledge subject to certain conditions mentioned in the letter from the Lender dated December 31, 2024 including: (i) re-pledge of the Equity Shares if the Red Herring Prospectus is not filed within 15 working days from the date of release of the pledge (ii) re-pledge of the Equity Shares if the Offer is not consummated, i.e., listing and trading of Equity Shares on the Stock Exchanges does not take place within 28 working days from the date of filing of the Red Herring Prospectus, and (iii) re-pledge of the Equity Shares, within three working Days of listing and trading of the Equity Shares pursuant to the Offer.

[#]As on the date of this Red Herring Prospectus, converted shares resulting from conversion of respective series of CCPS held by Volpi Cupal Trust are transferred in an unclaimed suspense escrow demat account as their demat account is not opened and operational.

Except for: (i) Tarun Sanjay Mehta who is the trustee of Mehta Family Trust and Tarun Swarna Family Trust, (ii) Swapnil Babanlal Jain who is the trustee of Swapnil Jain Family Trust and Jain Family Trust, (iii) NKSquared and Kamath Associates which are affiliates and each held 50% by Nikhil Kamath and Nithin Kamath, (iv) NIIF and IJF which are both managed by the same investment manager, i.e., National Investment and Infrastructure Fund Limited, Government of India, and the same trustee National Investment and Infrastructure Fund Trustee Limited (v) IITM Incubation Cell and IITM Rural Technology and Business Incubator which are the two incubators of IIT Madras situated within its campus and which collaborate with each other at different levels on investments, and have a common chief executive officer and a board member, and (vi) Achal Kothari, Karandeep Singh, Amod Malviya, NKSquared and Kamath Associates who hold shares in HMCL as of December 31, 2024, none of our other Shareholders are related to each other.

14. As on the date of this Red Herring Prospectus, our Company has 32 Shareholders, based on number of folios.

15. Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company

Except as stated below, none of our Directors, Key Managerial Personnel or Senior Management hold any Equity Shares:

| S.No. | Name | Number of Equity Shares on fully diluted basis | Percentage of pre-Offer Equity Share capital on a fully diluted basis [^] |
|-------|-----------------------|--|--|
| 1. | Tarun Sanjay Mehta | 20,517,732 | 6.81% |
| 2. | Swapnil Babanlal Jain | 20,517,732 | 6.81% |

[^] Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those which will result upon exercise of vested options under ESOP Scheme.

16. Details of shareholding of the major shareholders of our Company

(a) Set forth below are details of shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as on the date of this Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares | Percentage of pre-Offer Equity Share capital on a fully diluted basis (%) ^{*#} |
|--------------|--|-------------------------|---|
| 1. | Hero MotoCorp Limited | 115,083,252 | 38.19% |
| 2. | Caladium Investment Pte Ltd | 46,514,376 | 15.43% |
| 3. | India-Japan Fund (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 22,465,447 | 7.45% |
| 4. | Tarun Sanjay Mehta | 20,517,732 | 6.81% |
| 5. | Swapnil Babanlal Jain | 20,517,732 | 6.81% |
| 6. | National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 20,412,027 | 6.77% |
| 7. | Internet Fund III Pte. Ltd. | 19,760,832 | 6.56% |
| 8. | NKSquared (50% of which is held by each of Nithin Kamath and Nikhil Kamath) | 6,877,611 | 2.28% |
| 9. | Kamath Associates (50% of which is held by each of Nithin Kamath and Nikhil Kamath) | 6,877,350 | 2.28% |
| Total | | 279,026,359 | 92.59% |

^{*} Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those resulting upon exercise of vested options under ESOP Scheme.

[#] The Board of Directors of our Company in its meeting held on June 18, 2024 and shareholders of our Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 1,30,610 equity shares of ₹ 1 each. The conversion ratio of the Compulsory Convertible Preference Shares into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly.

(b) Set forth below are details of shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as of 10 days prior to the date of this Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares | Percentage of pre-Offer Equity Share capital on a fully diluted basis (%) ^{*#} |
|--------|-----------------------|-------------------------|---|
| 1. | Hero MotoCorp Limited | 115,083,252 | 38.19% |

| S. No. | Name of Shareholder | Number of Equity Shares | Percentage of pre-Offer Equity Share capital on a fully diluted basis(%) ^{*#} |
|--------------|--|-------------------------|--|
| 2. | Caladium Investment Pte Ltd | 46,514,376 | 15.43% |
| 3. | India-Japan Fund (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 22,465,447 | 7.46% |
| 4. | Tarun Sanjay Mehta | 20,517,732 | 6.81% |
| 5. | Swapnil Babanlal Jain | 20,517,732 | 6.81% |
| 6. | National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 20,412,027 | 6.77% |
| 7. | Internet Fund III Pte. Ltd. | 19,760,832 | 6.56% |
| 8. | NKSquared (50% of which is held by each of Nithin Kamath and Nikhil Kamath) | 6,877,611 | 2.28% |
| 9. | Kamath Associates (50% of which is held by each of Nithin Kamath and Nikhil Kamath) | 6,877,350 | 2.28% |
| Total | | 279,026,359 | 92.59% |

* Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those resulting upon exercise of vested options under ESOP Scheme.

The Board of Directors of our Company in its meeting held on June 18, 2024 and shareholders of our Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 1,30,610 equity shares of ₹ 1 each. The conversion ratio of the Compulsory Convertible Preference Shares into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly.

(c) Set forth below are details of shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as of one year prior to the date of this Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares | Number of Preference Shares | Number of equity shares on a fully diluted basis | Percentage of pre-Offer Equity Share capital on a fully diluted basis(%) [*] |
|--------|---|-------------------------|-----------------------------|--|---|
| 1. | Hero MotoCorp Limited | 1,098 | 415,450 | 418,416 | 42.01% |
| 2. | Caladium Investment Pte Ltd | 100 | 178,116 | 178,216 | 17.89% |
| 3. | National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited), | 100 | 78,107 | 78,207 | 7.85% |

| S. No. | Name of Shareholder | Number of Equity Shares | Number of Preference Shares | Number of equity shares on a fully diluted basis | Percentage of pre- Offer Equity Share capital on a fully diluted basis(%)* |
|--------------|-----------------------------|-------------------------|-----------------------------|--|--|
| 4. | Internet Fund III Pte. Ltd. | 100 | 75,612 | 75,712 | 7.60% |
| 5. | Tarun Sanjay Mehta | 39,800 | - | 41,538 | 4.17% |
| 6. | Swapnil Babanlal Jain | 44,800 | - | 46,538 | 4.67% |
| 7. | NK Squared | 50 | 26,301 | 26,351 | 2.65% |
| 8. | Kamath Associates | 50 | 26,300 | 26,350 | 2.65% |
| 9. | Sachin Bansal | 4,027 | 18,488 | 22,516 | 2.26% |
| 10. | 3State Ventures Pte. Ltd. | - | 10,950 | 10,950 | 1.10% |
| Total | | 90,125 | 829,324 | 924,794 | 92.84% |

* Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those resulting upon conversion of outstanding Preference Shares and exercise of vested options under ESOP Scheme.

- (d) Set forth below are details of shareholders holding 1% or more of the issued, subscribed and paid-up share capital of our Company as of two years prior to the date of this Red Herring Prospectus:

| S. No. | Name of Shareholder | Number of Equity Shares | Number of Preference Shares | Number of equity shares on a fully diluted basis | Percentage of pre- Offer Equity Share capital on a fully diluted basis(%)* |
|--------------|---|-------------------------|-----------------------------|--|--|
| 1. | Hero MotoCorp Limited | 1,098 | 264,006 | 271,674 | 35.40% |
| 2. | Sachin Bansal | 4,127 | 98,214 | 104,724 | 13.65% |
| 3. | Caladium Investment Pte Ltd | 100 | 81,834 | 81,934 | 10.68% |
| 4. | National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited), | 100 | 76,546 | 76,646 | 9.99% |
| 5. | Internet Fund III Pte. Ltd. | 100 | 75,612 | 75,712 | 9.87% |
| 6. | Tarun Sanjay Mehta | 44,800 | - | 44,800 | 5.84% |
| 7. | Swapnil Babanlal Jain | 44,800 | - | 44,800 | 5.84% |
| 8. | 3State Ventures Pte. Ltd. | - | 10,950 | 10,950 | 1.43% |
| 9. | Arun Vinayak | 8,420 | - | 8,420 | 1.10% |
| Total | | 103,545 | 607,162 | 719,660 | 93.77% |

* Calculated on the basis of total Equity Shares held and such number of Equity Shares on a fully diluted basis, including those resulting upon

conversion of outstanding Preference Shares and exercise of vested options under ESOP Scheme.

17. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, directors of our Corporate Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.
18. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of the Equity Shares being offered through the Offer.
19. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.
20. None of our BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares of face value of ₹1 each in our Company as on the date of this Red Herring Prospectus.
21. As on the date of this Red Herring Prospectus, the BRLMs and their respective associates (as defined in the SEBI Merchant Bankers Regulations) do not hold any Equity Shares of our Company. The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company and its respective directors and officers, partners, trustees, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and each of its respective directors and officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.
22. Except for employee stock options granted pursuant to ESOP Scheme, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares of our Company, as on the date of this Red Herring Prospectus.
23. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.
24. Except for the allotment of specified securities pursuant to the (i) Fresh Issue, and (ii) exercise of employee stock options under ESOP Scheme, there will be no further issue of specified securities 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 filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.
25. Except for the Equity Shares to be allotted pursuant to the Fresh Issue, exercise of employee stock options under ESOP scheme, there is no proposal or intention, negotiations or consideration by our Company to alter its capital structure by way of split or consolidation of the specified securities on a preferential basis or issue of bonus or rights or further public offer of such securities, within a period of six months from the Bid/Offer Opening Date.
26. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
27. The issuance of securities since incorporation until the date of this Red Herring Prospectus, by our Company had been undertaken in accordance with the provisions of the Companies Act, as to the extent applicable.
28. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
29. All transactions in specified securities of our Promoters and members of our Promoter Group between the date of filing of the Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

30. The right to subscribe to 813 and 595 Series C CCPS to Hero Fincorp Limited and Innoven Capital India Private Limited, respectively have been cancelled pursuant to the settlement letter cum agreements, each dated July 15, 2024. In consideration of the termination and relinquishment of such rights, our Company paid ₹ 5 million and ₹ 4 million to Hero Fincorp Limited and Innoven Capital India Private Limited (subject to applicable taxes), respectively.

Employee Stock Option Scheme

Ather Energy ESOP Plan 2024 (“ESOP Scheme”)

The ESOP Scheme was last amended pursuant to the resolutions passed by our Board and the Shareholders dated August 27, 2024 and September 5, 2024 respectively.

ESOP Scheme is in compliance with the SEBI SBEB & SE Regulations. All options under the ESOP Scheme that have been granted till the date of this Red Herring Prospectus have been granted only to employees of our Company and such options have been granted in compliance with Companies Act.

The details of the ESOP Scheme, as certified by Manian & Rao, Chartered Accountants, pursuant to their certificate dated April 22, 2025 are as follows:

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| Particulars | Details^ | | | | |
|--|--|-------------|-------------|-------------------------------------|--|
| | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | Nine months ended December 31, 2024 | For the period from January 1, 2025 till the date of this Red Herring Prospectus |
| Options granted | 2,483,415 | 2,799,225 | 2,220,987 | 4,320,644 | 321,133 |
| Number of employees to whom options were granted | 360 | 368 | 323 | 402 | 1,325 |
| Options vested (Excluding options that have been exercised) | 649,890 | 1,128,303 | 2,475,063 | 1,494,865 | 357,601 |
| Options exercised | Nil | Nil | Nil | Nil | Nil |
| Options forfeited/ lapsed/ cancelled | 405,333 | 725,841 | 199,926 | 244,296 | 31,628 |
| Options outstanding (including vested and unvested options) | 8,062,551 | 10,135,935 | 12,156,996 | 16,233,344 | 16,522,849 |
| Exercise price of options – weighted average exercise price per option (in ₹) | Negligible* | Negligible* | Negligible* | ₹ 0.0038 to ₹ 1 | ₹ 1 |
| Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (vested and unvested options) | 8,062,551 | 10,135,935 | 12,156,996 | 16,233,344 | 16,522,849 |
| Variation in terms of options | There are no variations in the terms of the options. | | | | |
| Money realised by exercise of options (in ₹ million) | Nil | Nil | Nil | Nil | Nil |
| Total number of options in force (vested and unvested options) | 8,062,551 | 10,135,935 | 12,156,996 | 16,233,344 | 16,522,849 |
| Employee wise details of options granted to | | | | | |
| (i) Key Managerial Personnel | | | | | |
| Puja Aggarwal | Nil | Nil | 6,786 | 6,525 | 105 |
| Sohil Dilipkumar Parekh | Nil | 13,050 | 15,660 | 195,750 | 140 |
| (ii) Senior Managerial Personnel | | | | | |
| Sunitha Lal | 58,725 | 143,550 | 107,271 | 192,357 | 315 |
| Ravneet Singh Phokela | 52,200 | 234,900 | Nil | 255,524 | 385 |
| Sanjeev Kumar Singh | Nil | 52,200 | 50,112 | 179,307 | 140 |
| Harendra Saksena | Nil | 62,640 | 52,200 | 179,307 | 140 |
| Milind Suresh Kothekar | 19,575 | 48,807 | 52,200 | 92,655 | 350 |
| (iii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year | | | | | |
| Deepak Jain | Nil | 143,550 | Nil | Nil | N.A. |
| (iv) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant | | | | Nil | |

| Particulars | Details^ | | | | |
|---|---|---------------|---------------|-------------------------------------|--|
| | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | Nine months ended December 31, 2024 | For the period from January 1, 2025 till the date of this Red Herring Prospectus |
| Fully diluted EPS on a pre- Offer basis pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings per Share' (in ₹) for continuing and discontinued operations | (27) | (48) | (47) | (23) | N.A. |
| Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the Company had used fair value of options and impact of this difference on profits and EPS of the Company | Not Applicable. As per the Restated Financial Information, the fair value has been determined as per the Black Scholes Merton Model | | | | |
| Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option | Fair Value under Black Scholes Merton Model | | | | |
| - Expected Volatility (% p.a.) | 50% | 40% | 35% | 35% | NA |
| - Weighted average share price (INR) | 1 to 73,824 | 1 to 78,008 | 1 to 78,008 | 1 to 299 | NA |
| - Expected life of the Options | 5-8 years | 5-8 years | 5-8 years | 4-8 years | NA |
| - Risk Free Rate of Return (%) | 5.42% - 6.16% | 6.32% - 7.19% | 6.86% - 7.11% | 6.97% - 7.41% | NA |
| - Expected Dividends (% p.a.) | 0% | 0% | 0% | 0% | NA |
| Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI SBEB & SE Regulations in respect of options granted in the last three years | Not Applicable | | | | |
| Intention of the Key Managerial Personnel, Senior Managerial Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Offer (aggregate number of Equity Shares intended to be sold by the holders of options), if any | Not Applicable | | | | |
| Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company | Not Applicable | | | | |

[^] The Board of Directors of our Company in its meeting held on June 18, 2024 and shareholders of our Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each, respectively. The conversion ratio of the Compulsory Convertible Preference Shares into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly.

^{*}This is less than ₹1.

⁺ This is not available since the books of accounts of our Company are not audited post December 31, 2024.

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of [●] Equity Shares, aggregating up to 26,260 million by our Company and an Offer for Sale of up to 11,051,746 Equity Shares, aggregating to ₹ [●] million by the Selling Shareholders. See “*Summary of the Offer Document*” and “*The Offer*” on pages 21 and 107, respectively.

Offer for Sale

Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds of the Offer for Sale after deducting its proportion of the Offer expenses and relevant taxes thereon. See “- *Offer-related expenses*” on page 192. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue

The details of the Proceeds of the Fresh Issue are summarized in the table below.

| Particulars | Estimated Amount (in ₹ million) |
|---|------------------------------------|
| Gross Proceeds of the Fresh Issue | 26,260 |
| <i>Less: Offer expenses to the extent applicable to the Fresh Issue (only those apportioned to our Company)</i> | [●] ⁽¹⁾ |
| Total Net Proceeds | [●] ⁽¹⁾ |

(1) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

Requirements of funds

Our Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, referred to herein as the “**Objects**”):

1. Capital expenditure to be incurred by our Company for establishment of an E2W factory in Maharashtra, India;
2. Repayment/ pre-payment, in full or part, of certain borrowings availed by our Company;
3. Investment in research and development;
4. Expenditure towards marketing initiatives; and
5. General corporate purposes.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancement of our Company’s brand name among existing and potential customers and creation of a public market for the Equity Shares in India.

The main objects and the objects incidental or ancillary to the attainment of the main objects, as set out in our Memorandum of Association, enable our Company to undertake the activities proposed to be funded from the Net Proceeds.

Utilisation of Net Proceeds

We propose to utilize the Net Proceeds in the manner set forth in the table below:

| S. No. | Particulars | Estimated Amount (in ₹ million) |
|-----------|---|------------------------------------|
| 1. | Capital expenditure to be incurred by our Company for establishment of an E2W factory in Maharashtra, India | 9,272 |
| 2. | Repayment/ pre-payment, in full or part, of certain borrowings availed by our Company | 400 |
| 3. | Investment in research and development | 7,500 |
| 4. | Expenditure towards marketing initiatives | 3,000 |
| 5. | General corporate purposes ⁽¹⁾ | [●] |
| | Total Net Proceeds⁽¹⁾ | [●] |

⁽¹⁾ To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as set forth in the table below:

| (in ₹ million) | | | | |
|--|--|---|---|---|
| Particulars | Estimated amount proposed to be funded from Net Proceeds | Estimated deployment of Net Proceeds in Fiscal 2026 | Estimated deployment of Net Proceeds in Fiscal 2027 | Estimated deployment of Net Proceeds in Fiscal 2028 |
| 1. Capital expenditure to be incurred by our Company for establishment of an E2W factory in Maharashtra, India | 9,272 | 7,055 | 2,217 | - |
| 2. Repayment/ pre-payment, in full or part, of certain borrowings availed by our Company | 400 | 400 | - | - |
| 3. Investment in research and development | 7,500 | 2,700 | 2,650 | 2,150 |
| 4. Expenditure towards marketing initiatives | 3,000 | 1,500 | 1,500 | - |
| 5. General corporate purposes ⁽¹⁾ | [●] | [●] | [●] | [●] |
| Total Net Proceeds | [●] | [●] | [●] | [●] |

⁽¹⁾ To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount to be utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

Other than the report titled ‘*Project Cost Vetting Report*’ provided by D&B dated March 9, 2025 (the “**D&B Report**”) on which we have relied on, in relation to the establishment of an E2W factory in Maharashtra, India and particularly, in relation to infrastructure (land development, civil and building), production equipment, utilities and other equipment and contingencies, the deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, all of which are subject to change. We intend to deploy the Net Proceeds towards the Objects as disclosed in the table above, in accordance with the business needs of our Company. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. The actual deployment of funds shall be based on our current business plan, internal management estimates, prevailing market conditions and other commercial and technical factors, including interest rates and other charges, and the financing and other agreements entered into by our Company. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, change in cost, financial and market conditions, demand for our products, change in technology, our management’s analysis of economic trends and business requirements, competitive landscape, ability to identify and consummate proposed investments as well as general factors affecting our results of operations, financial condition, access to capital, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management. For further details, please see “**Risk Factors –We are subject to risks associated with exchange rate fluctuations which can adversely affect our net profit, finance costs and margins.**” on page 95.

If the Net Proceeds are not utilized (in full or in part) for the Objects during the respective periods stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws. This may entail rescheduling the proposed utilization of the Net Proceeds and changing the deployment of funds at the discretion of our management, subject to compliance with applicable laws. Further, our Company may decide to accelerate the estimated deployment of Net Proceeds ahead of the schedule of implementation specified above. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular Object vis-à-vis the utilization of Net Proceeds.

Details of the Objects

I. Capital expenditure to be incurred by our Company for establishment of an E2W factory in Maharashtra, India

As per CRISIL Report, the E2W penetration is expected to increase to 35-40% by Fiscal 2031, from 5.1% in Fiscal 2024. To cater to the growing demand of the segment, enable new product launches (scooters and motorcycles) and to mitigate the critical supply chain risk around key manufacturing processes, we propose to construct a factory in Chhatrapati Sambhajnagar, Maharashtra, India at Aurangabad Industrial City (AURIC), BIDKIN (**"Factory 3.0"**) with the approval of Maharashtra Industrial Township Limited (**"MITL"**). The Board of our Company pursuant to its resolution dated June 6, 2024 has approved the establishment of Factory 3.0.

Factory 3.0 will be set up in two phases, of which Phase I of Factory 3.0 (**"Project"**) is proposed to be partly financed through the Net Proceeds. The Project is expected to commence production in July, 2026 in a phased manner and be completed in full by March, 2027, with a production capacity of 0.5 million E2Ws per year, based on the D&B Report. Factory 3.0 is expandable to a total production capacity of 1.00 million E2Ws per year upon completion of both phases (*Source: D&B Report*). Our Company proposes to invest an amount of ₹ 9,272 million in the Project, from the Net Proceeds.

We believe that spreading out our Hosur plant and Factory 3.0, each situated in different geographical areas in India, will enable us to alleviate some of the risks inherent in the manufacturing process, such as natural disasters, electricity outages and labour disputes. For further details of such risks, please see ***"Risk Factors – We currently depend on our Hosur Factory for the assembly and manufacturing of our electric two-wheelers and battery packs, and any disruptions to the operations of our Hosur Factory could materially adversely affect our business, financial condition and results of operations"*** on page 67. According to the CRISIL Report, E2W penetration rate is high in West India and we therefore seek to leverage the location of Factory 3.0 in Maharashtra, and the strong automotive supplier base in the region, to reduce cost of logistics and aim to reach customers faster. However, we may face certain challenges in setting up and commencement of operations of Factory 3.0 due to its location in Chhatrapati Sambhajnagar, being a relatively new geography for our Company, a lack of developed ecosystem of EV players and uncertainty in respect of continued supplies. For further details of such challenges, see ***"Risk Factors – There may be challenges in setting up and conducting operations of Factory 3.0 in Chhatrapati Sambhajnagar, owing to unfamiliar geographical considerations for us, lack of developed ecosystem of EV players and uncertainty in respect of continued supplies, which may lead to delays or disruptions in its construction and affect its operation"*** on page 86.

At Factory 3.0, we plan to vertically integrate additional automation technologies and manufacturing lines for selected manufacturing processes such as transmission assembly, painting, and electronics assembly, that we currently outsource to third-party OEM manufacturers, in order to achieve greater cost efficiencies in our production process, enhance our control over the quality of our products, increase flexibility in introducing and managing variants and mitigate supply chain risk. Once we execute such manufacturing processes, in-house, we are also likely to achieve economies of scale and drive better operational efficiencies. This approach will also provide us with greater agility in responding to changes in customer demand and greater resilience to supply disruptions. In addition, we plan to manufacture our new scooter and motorcycle platforms at Factory 3.0 which will involve new technologies and design in respect of chassis, powertrain and lithium iron phosphate cathode chemistry etc., with a phased expansion plan, to ensure efficient capital utilisation. Furthermore, our Company plans to automate storage with an end-to-end automated spares warehouse, while the current spares operation is operated with manual storage and retrieval systems. It is contemplated that the aforementioned facilities, new technologies and design, automations, etc., will improve our unit economics, manufacturing capacity, vertical integration capabilities and product pipeline and thereby positively impact the results of our operations. Our Company believes that all of these processes will positively impact our cost structures. Further, the percentage of products that met quality standards on the first attempt for the Fiscals 2022, 2023, 2024 and the nine-months ended December 31, 2024 for battery packs was 92%, 92%, 97% and 98% respectively and for Ather 450 vehicles was 80%, 74%, 82% and 80%, respectively, and the average time taken to assemble our E2Ws reduced by over 81% between Fiscal 2019 and Fiscal 2024.

The proposed timeline for implementation of the various activities in relation to the Project are set out below:

| Particulars | Timeline of completion |
|-------------------|------------------------|
| Sub-lease of land | August 2024 |

| Particulars | Estimated schedule of commencement | Estimated schedule of completion |
|----------------------------------|------------------------------------|----------------------------------|
| Phase I timeline* | March 2025 | March 2027 |
| - Equipment | March 2025 [#] | June 2026 |
| - Construction | May 2025 | May 2026 |
| - Installation and commissioning | December 2025 | March 2027 |

[#] Post the date of the D&B Report, we have commenced and are currently engaged in final technical evaluations for equipment

*Phase I is proposed to be completed by March 2027 for production with a targeted capacity of 0.5 million E2Ws (Source: D&B Report). In line with our capital efficient approach, we will commence production in a phased manner at the Factory 3.0, starting in July, 2026.

Further, to keep up with the demand based on growth in the E2W market in India which is expected to increase to 35-40% by Fiscal 2031, from 5.1% in Fiscal 2024 and expected to grow at a CAGR of approximately 41% to 44%, to increase from a market size of 936,000 units (approx.) in Fiscal 2024 to 10.3 million to 12.3 million units (approx.) by Fiscal Year 2031, our Company proposes to set up Factory 3.0 for meeting future demand as well as for manufacturing the new scooter and motorcycle platforms (Source: CRISIL Report). To substantiate, capacity utilisation of our Hosur Factory has increased for battery packs from 29% in Fiscal 2024 to 41% for the nine-months ended December 31, 2024 and for E2Ws from 29% in Fiscal 2024 to 39% for the nine-months ended December 31, 2024.

Estimated cost of the Project

The total estimated cost of the Project is ₹ 11,226.99 million (including contingencies and taxes), based on the D&B Report, of which ₹ 955.14 million has been deployed in respect of the Project as at March 31, 2025. We propose to utilize an aggregate of ₹ 9,272 million towards the capital expenditure to be incurred by our Company towards the Project, from the Net Proceeds. We confirm that there are firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance of the Project, excluding the amount to be raised from the Fresh Issue. In this regard, please note that our Company has raised ₹ 6,000 million through a private placement of 16,528,925 compulsorily convertible preference shares of face value ₹ 10 each to India-Japan Fund (*represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited*) in September 2024, of which ₹ 1,000 million has been earmarked to fund the balance cost of the Project. For further details on the private placement to India-Japan Fund, please see “**Capital Structure - Preference share capital history of our Company**” on page 130.

As a part of the Project, we require investment in (a) land; (b) infrastructure (land development, civil and building); (c) production equipment; (d) utilities; and (e) contingency. The detailed break-up of the estimated cost of the Project, as per the D&B Report, is set forth below:

| (in ₹ million) | | | |
|---|-------------------------|--------------------------------------|-----------------------------|
| Particulars | Total estimated cost | Amount deployed as at March 31, 2025 | Balance amount to be funded |
| Land | 955.14 | 955.14 ⁽⁵⁾ | - |
| Infrastructure (land development, civil and building) | 3,824.97 ⁽¹⁾ | - | 3,824.97 |
| Production equipment | 3,828.73 ⁽²⁾ | - | 3,828.73 |
| Utilities | 1,958.90 ⁽³⁾ | - | 1,958.90 |
| Contingency ⁽⁶⁾ | 659.25 ⁽⁴⁾ | - | 659.25 |
| Total | 11,226.99 | 955.14 | 10,271.85 |

(1) Inclusive of ₹ 602.70 million as taxes and duties.

(2) Inclusive of ₹ 604.39 million as taxes and duties.

(3) Inclusive of ₹ 297.09 million as taxes and duties.

(4) Inclusive of ₹ 103.64 million as taxes and duties.

(5) This amount deployed towards establishing the Project as on March 31, 2025, was from the amount received from the issuance of Series C3 NCDs by our Company to Stride Ventures Debt Fund II, of ₹ 2,000 million. In accordance with clause 9(F)(1) under Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained the requisite Statutory Auditor's report dated April 2, 2025 issued in accordance with Indian Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India, in relation to the sources of funds and the deployment of such funds.

(6) Our Company has considered a contingency of 6.85% on infrastructure, production equipment and utilities costs in case of any potential increase in scope of work as well as any cost impact in case of any policy and regulation changes, disruptions in supply chains or logistics that may cause delays and increased payouts as well as any potential increase in cost arising due to adoption of new technologies and processes during the construction and development phase.

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The detailed break-down of estimated cost for the Project, in terms of the D&B Report, is set forth below:

| S. No. | Vendor | Classifications of work (Major and minor) | Total estimated cost (in ₹ million) | Date of quotation | Period of validity, as applicable |
|---|--|---|-------------------------------------|--|-----------------------------------|
| I. Infrastructure (land development, civil & building) | | | | | |
| 1. | ECR Build Tech Private Limited | Infrastructure - civil | 1,877.94 | July 31, 2024 | July 30, 2025 |
| 2. | Greenedge Architects and Designers | Infrastructure - landscaping | 68.55 | July 31, 2024 | July 30, 2025 |
| 3. | Kirby Building Systems & Structures India Private Limited | Infrastructure – Pre- engineered building | 852.54 | February 14, 2025 | May 31, 2025 |
| 4. | Studiokon Ventures Private Limited | Infrastructure - interior | 391.17 | August 1, 2024 | April 30, 2025 |
| 5. | Jones Lang LaSalle Property Consultants India Private Limited. | Infrastructure – Project management consultancy (PMC) | 32.07 | September 16, 2024 (date of agreement) | September 15, 2026 |
| Total (A) Infrastructure | | | 3,222.27 | | |
| 6. | Taxes as applicable | | 602.70 | | |
| Total (B) Infrastructure + taxes as applicable | | | 3,824.97 | | |
| II. Production equipment | | | | | |
| 7. | Taikisha Engineering Private Limited | India Equipment & machinery – Acrylic Cathodic Electro Disposition (ACED) | 260.18 | June 7, 2024 | June 6, 2025 |
| 8. | Taikisha Engineering Private Limited | India Equipment & machinery – paint shop | 689.91 | June 7, 2024 | June 6, 2025 |
| 9. | Tass Maquina Private Limited | Equipment & machinery – Box builds | 204.04 | July 31, 2024 | July 30, 2025 |
| 10. | Ingersoll Rand Inc | Equipment & machinery – Vehicle assembly tools | 71.97 | October 5, 2024 | October 5, 2025 |
| 11. | Flexi Efficad Private limited | | 66.00 | July 31, 2024 | July 30, 2025 |
| 12. | Difacto Robotics and Automations Private Limited | | 119.06 | August 1, 2024 | July 31, 2025 |
| 13. | XNG Automation Solutions Private Limited | Equipment & machinery - Battery assembly line | 124.84 | July 31, 2024 | July 30, 2025 |
| 14. | F&K Delvotec Bondtechnik Singapore Pte. Limited | | 148.49 | July 31, 2024 | July 30, 2025 |
| 15. | Procyon Technsolutions Private Limited | | 98.73 | July 31, 2024 | July 30, 2025 |

| S. No. | Vendor | Classifications of work (Major and minor) | Total estimated cost (in ₹ million) | Date of quotation | Period of validity, as applicable |
|--------|---|---|-------------------------------------|-------------------|-----------------------------------|
| 16. | New Dispensing Automation Private Limited | Equipment & machinery – Warehouse | 11.82 | July 31, 2024 | July 30, 2025 |
| 17. | Cosmo Instruments India Private Limited | | 19.91 | August 1, 2024 | July 31, 2025 |
| 18. | Atlascopco India Ltd., Belgium | | 25.58 | November 4, 2024 | October 31, 2025 |
| 19. | Inno Fixture and Gauge | | 99.10 | July 31, 2024 | July 30, 2025 |
| 20. | Urja Systems | | 114.28 | August 2, 2024 | August 1, 2025 |
| 21. | Blue Fin Engineering Enterprises | | 60.26 | November 4, 2024 | November 3, 2025 |
| 22. | Instant Procurement Services Private Limited | | 0.14 | July 31, 2024 | July 30, 2025 |
| 23. | Keller-ITS India LLP | | 4.79 | July 30, 2024 | July 29, 2025 |
| 24. | SuVeechi Technologies Private Limited | | 1.16 | November 5, 2024 | November 4, 2025 |
| 25. | Maini Precision Product Limited | | 22.14 | August 1, 2024 | July 31, 2025 |
| 26. | NIDO Machineries Private Limited | | 1.75 | October 8, 2024 | October 7, 2025 |
| 27. | Datar Engineering & Consultancy Private Limited | | 14.32 | August 1, 2024 | July 31, 2025 |
| 28. | Crientors Automation Solutions Private Limited | | 105.39 | June 7, 2024 | June 6, 2025 |
| 29. | Sua Automation Pvt Ltd, Pune | | 16.35 | July 31, 2024 | July 31, 2025 |
| 30. | Movetech Conveyors Private Limited | Equipment & machinery - Vehicle Line | 149.49 | July 31, 2024 | July 30, 2025 |
| 31. | Dynomerck Controls India Private Limited | | 25.45 | July 30, 2024 | July 29, 2025 |
| 32. | Gravotech Engineering Private Limited | | 2.72 | February 17, 2025 | May 31, 2025 |
| 33. | Ingersoll Rand (India) Limited | | 21.08 | October 5, 2024 | October 4, 2025 |
| 34. | Smart Storage Technologies | | 7.43 | July 30, 2024 | July 29, 2025 |
| 35. | S.S.Tools & Company | | 3.68 | August 2, 2024 | August 1, 2025 |
| 36. | Dynomerck Controls India Private Limited | | 18.88 | July 31, 2024 | July 31, 2025 |

| S. No. | Vendor | Classifications of work (Major and minor) | Total estimated cost (in ₹ million) | Date of quotation | Period of validity, as applicable |
|--------|--|---|-------------------------------------|-------------------|-----------------------------------|
| 37. | Ferro Foundries Private Limited | Equipment & machinery - IQC | 1.02 | August 3, 2024 | August 2, 2025 |
| 38. | ATS Elgi Ltd. | | 0.74 | August 2, 2024 | August 1, 2025 |
| 39. | Carl Zeiss India Private Limited | | 45.66 | July 31, 2024 | July 30, 2025 |
| 40. | FARO Business Technologies Private Limited | | 28.72 | August 1, 2024 | August 31, 2025 |
| 41. | Mitutoyo South Asia Private Limited | | 2.10 | July 31, 2024 | July 30, 2025 |
| 42. | Ssmith technologies | | 16.19 | October 5, 2024 | October 4, 2025 |
| 43. | APM Technologies 3D Private Limited | | 5.40 | July 31, 2024 | July 30, 2025 |
| 44. | Perkin Elmer - Spectralytic Scientific India Private Limited | | 22.88 | July 31, 2024 | July 30, 2025 |
| 45. | Stanlay - Asian contec Ltd. | | 0.56 | July 31, 2024 | July 30, 2025 |
| 46. | Instant Procurement Services Private Limited | | 0.53 | October 21, 2024 | October 20, 2025 |
| 47. | Effective Lab India | | 0.13 | August 2, 2024 | August 2, 2025 |
| 48. | Sams Advanced Climatic Technologies Private Limited | | 3.50 | February 17, 2025 | May 31, 2025 |
| 49. | Ittiam Industrial Needs | | 0.01 | July 31, 2024 | July 30, 2025 |
| 50. | Chennai Metco Private Limited | | 18.71 | July 30, 2024 | July 30, 2025 |
| 51. | Venture Instrumentation technology Private Limited | | 7.59 | October 8, 2024 | October 7, 2025 |
| 52. | Unitron Instrumentation technology Private Limited | | 10.85 | October 9, 2024 | October 8, 2025 |
| 53. | ABS Instruments Private Limited | | 2.58 | February 26, 2025 | May 31, 2025 |
| 54. | SJ Spektra Solutions | | 3.72 | October 30, 2024 | October 29, 2025 |
| 55. | Thermofisher Scientific India Private Limited | | 25.29 | February 26, 2025 | May 31, 2025 |
| 56. | Addverb Technologies Limited | Equipment & machinery - Spares | 230.77 | August 2, 2024 | August 2, 2025 |
| 57. | Know All Edge Networks Private Limited | Warehouse Equipment & Fixtures | 43.91 | August 1, 2024 | July 31, 2025 |

| S. No. | Vendor | Classifications of work (Major and minor) | Total estimated cost (in ₹ million) | Date of quotation | Period of validity, as applicable |
|--|---|--|-------------------------------------|-------------------|-----------------------------------|
| 58. | Fabricatio Industries | | 12.26 | July 30, 2024 | July 30, 2025 |
| 59. | PPG Asian Paints Private Limited | | 12.86 | November 7, 2024 | November 7, 2025 |
| 60. | Mitsubhishi Electric India Private Limited | Equipment & machinery - Digital Manufacturing System (MES) | 82.10 | July 31, 2024 | July 31, 2025 |
| 61. | Sonata Information Technology Ltd. | Equipment & machinery – SAP Licenses | 21.54 | August 1, 2024 | August 1, 2025 |
| 62. | Difacto Robotics and Automations Private Limited | Equipment & machinery - Battery rework Line | 108.52 | July 31, 2024 | July 30, 2025 |
| 63. | SUA Automation Pvt. Ltd. | | 3.65 | August 2, 2024 | July 31, 2025 |
| 64. | Nilkamal Limited | | 0.28 | October 5, 2024 | October 4, 2025 |
| 65. | Shri Maruthi Hardwares | | 0.40 | August 2, 2024 | August 1, 2025 |
| 66. | Tetrahedron Manufacturing Services Private Limited | Equipment & machinery - Dojo centre | 0.97 | August 2, 2024 | August 1, 2025 |
| 67. | Fine steel Furnitures | | 0.09 | August 2, 2024 | August 1, 2025 |
| 68. | Sai Balaji Toolss | | 0.30 | August 2, 2024 | August 1, 2025 |
| 69. | Yume Newturn Private Limited | | 1.28 | August 2, 2024 | August 1, 2025 |
| 70. | S S Tools & Company | | 0.22 | August 1, 2024 | July 31, 2025 |
| Total (C) | | | 3,224.34 | | |
| 71. | Taxes as applicable | | 604.39 | | |
| Total (D) Production equipment + taxes as applicable | | | 3,828.73 | | |
| III. | Utilities | | | | |
| 72. | SafEarth Clean Technologies Pvt. Ltd. | | 35.00 | July 31, 2024 | June 30, 2025 |
| 73. | Classic Electrical Limited | | 235.69 | February 17, 2025 | May 31, 2025 |
| 74. | Engineers and Engineers (Electricals) Private Limited | Infra & Utilities – electrical | 109.44 | October 5, 2024 | October 4, 2025 |
| 75. | Fuji Electric Private Limited | | 37.47 | November 5, 2024 | December 31, 2025 |
| 76. | Powerica Limited | | 89.51 | February 17, 2025 | May 31, 2025 |

| S. No. | Vendor | Classifications of work (Major and minor) | Total estimated cost (in ₹ million) | Date of quotation | Period of validity, as applicable |
|--------|---|--|-------------------------------------|-----------------------------------|-----------------------------------|
| 77. | Voltamp Transformers Limited | | 24.74 | February 19, 2025 | May 31, 2025 |
| 78. | VSPV & Gas projects Private Limited | Infra & Utilities – mechanical LNG | 21.00 | August 2, 2024 | August 1, 2025 |
| 79. | Minsun Infra Private Limited | | 6.21 | February 17, 2025 | May 31, 2025 |
| 80. | Minsun Infra Private Limited | Infra & Utilities – mechanical HSD | 7.31 | February 17, 2025 | May 31, 2025 |
| 81. | Minsun Infra Private Limited | Infra & Utilities - mechanical – piping distribution | 26.63 | February 17, 2025 | May 31, 2025 |
| 82. | Atlas Copco Private Limited | Infra & Utilities - mechanical – air compressor | 25.11 | October 7, 2024; November 5, 2024 | October 31, 2025; October 8, 2025 |
| 83. | Dynamic Engineering | Infra & Utilities – HVAC – AHU & distribution | 154.37 | February 14, 2025 | May 31, 2025 |
| 84. | Daikin Air Conditioning India | Infra & Utilities – HVAC - chiller | 24.55 | August 1, 2024 | July 31, 2025 |
| 85. | ION Exchange India Limited | Infra & Utilities – PHE | 86.00 | February 18, 2025 | May 31, 2025 |
| 86. | National sanitation | Infra & Utilities – PHE – sanitary | 87.00 | October 7, 2024 | October 6, 2025 |
| 87. | DK Fire Service Private Limited | Infra & Utilities – fire fighting | 423.29 | July 31, 2024 | July 30, 2025 |
| 88. | Vijay Fire Vehicles and Pumps Private Limited | | 4.46 | February 20, 2025 | May 31, 2025 |
| 89. | SD INFOSYSTEMS | Infra & Utilities – IT infrastructure | 153.87 | August 1, 2024 | August 1, 2025 |
| 90. | Sytech Services Private Limited | | 35.09 | August 2, 2024 | August 1, 2025 |
| 91. | Auto-ID Tech Solutions Private Limited | | 6.33 | July 31, 2024 | July 30, 2025 |
| 92. | Team computers Private Limited | | 5.83 | August 1, 2024 | July 31, 2025 |
| 93. | AdvanceTech Industrial Private Limited | | 3.88 | August 1, 2024 | July 31, 2025 |
| 94. | Guru SAI IT Solutions | | 1.98 | August 2, 2024 | August 1, 2025 |
| 95. | Archon Consulting Systems Private Limited | | 2.51 | July 31, 2024 | July 30, 2025 |
| 96. | Bhavik IT Solutions | | 0.70 | July 31, 2024 | July 30, 2025 |
| 97. | Jesai Healthcare India Private Limited | Infra & Utilities – Vehicles | 3.15 | August 2, 2024 | August 1, 2025 |

| S. No. | Vendor | Classifications of work (Major and minor) | Total estimated cost (in ₹ million) | Date of quotation | Period of validity, as applicable |
|--|--|---|-------------------------------------|-------------------|-----------------------------------|
| 98. | Roots Industries Private Limited | | 1.37 | August 1, 2024 | July 31, 2025 |
| 99. | Ferro Foundries Private Limited | | 1.69 | August 3, 2024 | August 2, 2025 |
| 100. | Technospacio Tech Solutions Private Limited | | 4.02 | August 1, 2024 | July 6, 2025 |
| 101. | Bharat Fritz Werner Limited | Infra & Utilities - Other package-general items | 8.87 | August 1, 2024 | July 31, 2025 |
| | | | | October 5, 2024 | October 4, 2025 |
| 102. | Micromatic Grinding Technologies Private Limited | | 2.25 | February 14, 2025 | May 31, 2025 |
| 103. | Advance hydraotec Private Limited | | 5.76 | October 8, 2024 | October 7, 2025 |
| 104. | Digital instruments & Control System | | 6.00 | August 2, 2024 | August 1, 2025 |
| 105. | Schneider Electric India Private Limited | Infra & Utilities – EMS / BMS | 20.70 | August 1, 2024 | July 31, 2025 |
| Total (E) Utilities | | | 1,661.81 | | |
| 106. | Taxes as applicable | | 297.09 | | |
| Total (F) Utilities + taxes as applicable | | | 1,958.90 | | |
| Total (B+D+F) | | | 9,612.60 | | |

The land on which our Project is proposed to be established is at Plot No. 123, Aurangabad Industrial City (AURIC) BIDKIN, Sector No. 12, Taluka Paithan, District Chhatrapati Sambhajnagar at Maharashtra. Our Company has by way of a sub-lease deed dated August 1, 2024 executed with MITL ("**Sub-Lease Deed**") and the allotment letter from MITL dated July 11, 2024, sub-leased the 397,976.74 square metres of land on which the Project is proposed to be located, for a term of 95 years. The sub-lease will be automatically renewed after the initial term, in accordance with its terms and conditions. The aggregate amount paid by our Company for sub-lease of the land is ₹ 955.14 million. Further, as a part of the terms and conditions of the sub-lease, prior to commencing construction, we are required to obtain approval of the plans and specification of Factory 3.0 from MITL within 24 months from the date of execution of the Sub-Lease Deed / date of receipt of possession of the land and are required to complete construction within five years from the date of execution of the Sub-Lease Deed/ date of receipt of possession of the land or seven years from the date of execution of the Sub-Lease Deed/ / date of receipt of possession of the land, as maybe extended by MITL, one year at a time. Pursuant to the possession letter dated August 1, 2024 from MITL, our Company has obtained possession of the land in relation to the Project.

The land cost of ₹ 955.14 million paid by our Company is inclusive of the cost for land for both phases of Factory 3.0.

Infrastructure (land development, civil and building)

Infrastructure for construction of the Project includes civil and infrastructure consultancy, including landscaping, project management consultancy, interior designing, pre-engineered building and process design and infrastructure (civil, land development and construction). The total estimated cost for infrastructure (land development, civil and building) is ₹ 3,824.97 million (inclusive of taxes and duties), based on the D&B Report. This includes costs of boundary wall and storm water drain which will be common for both phases of Factory 3.0, as stated in the D&B Report. Under the Sub-Lease Deed, in the event we are unable to commence construction within two years from the date of execution of the Sub-Lease Deed / date of receipt of possession of the land, the Sub-Lease Deed shall terminate and we would have to re-enter into a sub-lease deed and forfeit the entire sub-lease premium paid by us.

Production equipment

The amount to be spent on production equipment for the Project by our Company will depend upon business requirements and technology advancement. The total estimated cost for production equipment based on the D&B Report is ₹ 3,828.73 million (inclusive of taxes and duties). We propose to utilise the Net Proceeds towards purchase of production equipment which would consist of, among other things, paint shop, assembly tools, box builds, battery line, warehouse, vehicle line, battery rework line, conveyor, workstation and tools, etc.

Utilities

Utilities that would be required for the Project consist of *inter alia*: (i) electrical equipment and machinery such as high-tension and low-tension panels, transformers, etc.; (ii) mechanical equipment such as machinery compressors network, high-speed diesel, piping distribution, etc.; (iii) firefighting systems and fire tender vehicles; (iv) IT infrastructure; (v) vehicles such as ambulance and visitor cart; (vi) heating, ventilation and air-conditioning systems and chillers, etc.; and (vii) general items such as service scissors lift, turnstile, machining centres, which will be purchased from various vendors. The total estimated cost for utilities is ₹ 1,958.90 million (inclusive of taxes and duties).

Contingencies

Our Company has considered a contingency of 6.85% on infrastructure, production equipment and utilities costs in case of any potential increase in scope of work as well as any cost impact in case of any policy and regulation changes, in terms of the D&B Report. The total estimation for contingencies is ₹ 659.25 million (inclusive of taxes and duties). Such contingency costs, are based on certain considerations including potential increase in the scope of work due to fast moving technology and dynamic product development cycle during the process of the setting up and construction, inflationary factors that may cause an increase in prices of commodities required for the construction, possible fluctuations in foreign exchange that may increase payouts to foreign vendors, potential increase in cost of materials and equipment owing to policy and regulatory changes, disruptions in supply chains or logistics that could cause delays and increase costs and costs arising from adopting new technologies, software and processes during the course of construction and development, amongst others.

All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, except for the agreement for project management consultancy services dated September 16, 2024 entered into with Jones LaSalle Property Consultants (India) Private Limited, we have not entered into any definitive agreements or placed orders with any of these vendors and will do so at an appropriate time when the construction phase is near completion. Hence, there can be no assurance that the same vendors would be engaged to supply the equipment or at the same costs at the time of placing such orders. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment and machinery being procured in our Factory 3.0, according to the business requirements of such facilities and based on the estimates of our management. For further details see, ***“Risk Factors- ₹9,272 million of the Net Proceeds are intended to be utilised for funding our capital expenditure requirements to construct Phase 1 of Factory 3.0 at Chhatrapati Sambhajnagar (formerly Aurangabad), Maharashtra. We have relied on third-parties’ quotations in estimating the total cost of our capital expenditure and no bank, financial institution or other independent agency have appraised this project.”*** Further, no time, cost, or project appraisal has been undertaken for Phase II of Factory 3.0. Pursuant to the notification dated January 29, 2025, S.O. 523(E)), issued by the Ministry of Environment, Forest and Climate Change of India, has clarified that industrial sheds, schools, colleges and educational institution hostels are excluded from item 8 of the schedule of the notification. Based on the amendment, Factory 3.0 is classified as an “industrial shed” and does not require environment clearance.

No second-hand or used machinery is proposed to be purchased out of the Net Proceeds.

Government and other approvals

In relation to the construction of the Project, we are required to obtain certain pre-construction and post-construction approvals. We propose to commence construction of Factory 3.0 in May 2025 and for such purpose require certain approvals routine in nature such as the consent to establish from the State Pollution Control Board, and the development permission, approval on the layout plan and the provisional fire NOC from MITL, each of which approvals we have already made applications for with the relevant authorities, as set forth below:

| S. No. | Compliance Category | Legislation | Regulatory Authority | | Compliances/ Name of approval | Status |
|--------|---------------------|--|--|--------------------|---|----------|
| 1 | EHSS | Environment Protection Act, 1986 | State Pollution Control Board | | Consent to Establish | Obtained |
| 2 | Regulatory | MIDC Comprehensive Development Control and Promotion Regulations, 2023 | Maharashtra Township (MITL) | Industrial Limited | Development Permission / Building Permission / Commencement Certificate | Obtained |
| 3 | Regulatory | MIDC Comprehensive Development Control and Promotion Regulations, 2023 | Maharashtra Township (MITL) | Industrial Limited | Layout Plan (along with Service Plan and Landscape Plan) for Approval | Obtained |
| 4 | EHSS | Maharashtra Fire Prevention and Life Safety Measures Act, 2006 and National Building Code of India, 2023 | Maharashtra Township (MITL) – Fire Department | Industrial Limited | Provisional Fire NOC | Obtained |
| 5. | Regulatory | Employees State Insurance, Insurance Act, 1948 | Employees State Insurance Corporation, Maharashtra | | Certificate of Registration | Obtained |
| 6. | Regulatory | Centre Goods and Services Tax Act, 2017 | Centre Goods and Services Department | | GST Registration | Obtained |

| S. No. | Compliance Category | Legislation | Regulatory Authority | Compliances/ Name of approval | Status |
|--------|---------------------|--|---|-------------------------------|----------|
| 7. | Regulatory | The Maharashtra Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2007 | Department of Labour, Government of Maharashtra | Certificate of Registration | Obtained |

Certain other approvals which are routine in nature to be procured prior to construction include the registrations under the Contract Labour (Regulation & Abolition) Act, 1970, and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and during construction includes the factory plan/ layout approval under the Factories Act, 1948.

Further, the routine post-construction approvals required for the Project are as set forth below:-

| S. No. | Compliance Category | Legislation | Regulatory Authority | Compliances/ Name of approval |
|--------|---------------------|--|--|--|
| 1 | EHSS | Environment Protection Act, 1986 | State Pollution Control Board | Consent to Operate |
| 2 | Labour | Factories Act, 1948 | DISH, Maharashtra | Factory License |
| 3 | Regulatory | MIDC Comprehensive Development Control and Promotion Regulations, 2023 and Factories Act, 1948 | Maharashtra Industrial Township Limited (MITL) + DISH, Maharashtra | Structural Stability Certificate |
| 4 | Regulatory | MIDC Comprehensive Development Control and Promotion Regulations, 2023 | Maharashtra Industrial Township Limited (MITL) | Occupancy Certificate |
| 5 | EHSS | Environment Protection Act, 1986 | State Pollution Control Board | Fire NOC/Fire Safety Certificate |
| 6 | Plant Operations | Environment Protection Act, 1986 | State Pollution Control Board | DG NOC/ Safety Certificate for DG installation |
| 7 | EHSS | Environment Protection Act, 1986 | State Pollution Control Board | Hazardous Waste Authorisation |
| 8 | EHSS | Environment Protection Act, 1986 | State Pollution Control Board | Bio-Medical Waste Authorisation |
| 9 | Plant Operations | The Maharashtra Lifts, Escalators and Moving Walks Act, 2017 | Chief Electrical Engineer | Lift License |
| 10 | Plant Operations | The Electricity Act, 2003 | CEIG, Maharashtra | Inspection and Recommendation Report - CEIG Approval |
| 11 | EHSS | The Boilers Act, 1923 (if applicable) | Directorate of Steam Boilers, Maharashtra State | Registration Certificate of Boilers |
| 12 | EHSS | The Petroleum Act, 1934 | Petroleum and Explosives Safety Organisation | PESO/Explosives License for storage of HSD and LPG |

Power and water requirements

Our Company proposes to meet the water requirements for the operations of the Project from the metered water connections to be provided by MITL from the Godavari river and from the treated water from the centralised effluent treatment facility of MITL, as specified in the D&B Report. Further, our Company plans to source power from Maharashtra State Electricity Distribution Company Limited and plans to apply for connections at the

appropriate stages of construction, in accordance with the timelines and specifications included in the D&B Report. Further, permanent power and water connections in relation to manufacturing are proposed to be applied for in January, 2026 (*Source: D&B Report*).

Our Directors, Key Managerial Personnel, members of Senior Management, Promoters, members of our Promoter Group and Group Company do not have any interest in the proposed investment to be made by our Company towards the Project.

II. Repayment/ pre-payment, in full or part, of certain borrowings availed by our Company

Our Company has entered into various borrowing arrangements, including borrowings in the form of term loans, fund-based and non-fund based working capital facilities. For details of these financing arrangements including indicative terms and conditions, security provided, see “**Financial Indebtedness**” beginning on page 474. As of February 28, 2025, we had total outstanding borrowings (fund based and non-fund based) of ₹ 5,336 million.

Our Company intends to utilize an aggregate amount of ₹ 400 million from the Net Proceeds towards repayment/ prepayment (including estimated prepayment charges and backend fees) of all or a portion of certain outstanding borrowings availed by our Company. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges or penalties as prescribed by the respective lender. Such prepayment charges and penalties, as applicable, will also be funded out of the Net Proceeds. In addition to prepayment charges, certain borrowing arrangements have terms of backend fees, in the range of 1.5% to 2% of the drawdown amount, payable upon maturity or upon prepayment of the facility, whichever is earlier. Such prepayment charges and backend fees, as applicable, will also be funded out of the Net proceeds. Given the nature of the borrowings and the terms of repayment/ prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of their existing borrowings prior to Allotment. In addition, our Company may, from time to time, enter into further financing arrangements and drawdown funds thereunder. In such cases or in case any of the borrowings listed below are prepaid, repaid (earlier or scheduled), refinanced, in part or full, or further drawn down prior to the completion of the Offer, or if any additional facilities are availed, we may utilize the Net Proceeds towards prepayment or repayment (earlier or scheduled) of such additional indebtedness availed by us and/ or interest thereon, details of which shall be provided in this Red Herring Prospectus. In the event our management deems appropriate, the amount allocated for the estimated schedule of deployment of Net Proceeds in a particular Financial Year may be repaid/ pre-paid in part or full by our Company in the subsequent Financial Year. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

We believe that such repayment/ prepayment will help reduce our outstanding indebtedness and debt servicing costs and improve our debt-to-equity ratio. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development and growth opportunities. The selection of borrowings proposed to be prepaid or repaid amongst our borrowing arrangements will be based on various factors, including (i) maturity profile and the remaining tenor of the loan, (ii) cost of the borrowing, including applicable interest rates, (iii) any conditions attached to the borrowings, restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, or relating to the terms of repayment, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

The following table provides the details of outstanding amount of borrowings availed by our Company, as on February 28, 2025, which we propose to prepay or repay, in full or in part, from the Net Proceeds for an aggregate amount of ₹ 400 million.

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| S. No. | Lender | Nature of borrowing | Amount sanctioned (in ₹ million)* | Amount outstanding as on February 28, 2025(in ₹ million)* | Interest rate as on February 28, 2025 [®] | Tenor | Repayment schedule | Prepayment penalty and backend fees conditions | Purpose of borrowing | Date of issuance |
|--------|---|----------------------------|-----------------------------------|---|--|--------------------------------|---|--|----------------------------|-------------------------------------|
| 1. | Alteria Capital Fund III – Scheme A (represented by its investment managers, Alteria Capital Advisors LLP and Alteria Venture Partners LLP) | Non-Convertible debenture | 200 | 29 | 14.85% | 22 months (up to July 1, 2025) | Principal repayment on monthly basis in equal instalments commencing from November 1, 2023. Instalments shall be payable on the 1 st day of the month. | Prepayment shall not be permitted up to 12 months from the date of investment of NCDs. Thereafter, prepayment shall be permitted subject to payment of a prepayment penalty of 1.5% on the prepaid amount. Company to give investors a written notice of 15 business days prior to any prepayment. Further, the estimated amount of prepayment penalty to be paid is ₹ 0.38 million. | General corporate purposes | September 2, 2023 |
| 2. | Alteria Capital Fund II - Scheme I (represented by its investment managers, Alteria Capital Advisors LLP and Alteria Venture Partners LLP) | Non-Convertible debenture | 300 | 29 | 14.85% | 22 months (up to July 1, 2025) | Principal repayment on monthly basis in equal instalments commencing from November 1, 2023. Instalments shall be payable on the 1 st day of the month. | Prepayment shall not be permitted up to 12 months from the date of investment of NCDs. Thereafter, prepayment shall be permitted subject to payment of a prepayment penalty of 1.5% on the prepaid amount. Company to give investors a written notice of 15 business days prior to any prepayment. Further, the estimated amount of prepayment penalty to be paid is ₹ 0.38 million. | General corporate purposes | September 2, 2023 |
| 3. | Innoven India Capital Fund (represented by its investment manager InnoVen Triple Blue Capital Advisors LLP)\$ | Non-Convertible debentures | 1,000 | 191 | 14.85% | 22 months (up to July 1, 2025) | Principal repayment may be made from November 1, 2023 | Our Company shall not have a right to prepay the NCDs up to 12 months from the closing date (<i>as per the debenture subscription agreement</i>). Upon expiry of 12 months from the closing date (<i>as per the debenture subscription agreement</i>), our Company may prepay the outstanding NCDs subject to payment of a prepayment penalty of 2% of the outstanding obligations. Subject to the provisions hereof, our Company (as relevant) may prepay the NCDs after giving 30 business days advance notice in writing to the debenture trustee and the debenture holders. Further, the | General corporate purposes | August 11, 2023 and August 18, 2023 |

| S. No. | Lender | Nature of borrowing | Amount sanctioned (in ₹ million)* | Amount outstanding as on February 28, 2025(in ₹ million)* | Interest rate as on February 28, 2025 [@] | Tenor | Repayment schedule | Prepayment penalty and backend fees conditions | Purpose of borrowing | Date of issuance |
|--------|---|----------------------------|-----------------------------------|---|--|-------------------------------------|---|---|--|------------------|
| | | | | | | | | estimated amount of prepayment penalty to be paid is ₹ 3.38 million | | |
| 4. | Stride Ventures Debt Fund II (acting through Axis Trustee Services Limited) [#] | Non-Convertible debentures | 1,000 | 500 | 14.50% | 30 months (up to November 29, 2026) | Monthly repayment of principal post 9 months of moratorium (commencing from March 31, 2025) | Our Company shall not be entitled, without approval of the investor, to prepay for 12 months from the date of disbursement of the respective tranche. Any time after 12 months, our Company can prepay in part or in full subject to a minimum prepayment amount of one million and a prepayment penalty of 1.0% of the amount to be prepaid by our Company. In the case of prepayment, our Company is required to give an advance notice of 30 business days in writing. Further, the estimated amount of prepayment penalty to be paid is ₹ 5.34 million. Lock-in period for prepayment ends on May 28, 2025. Further, our Company is required to pay backend fees at 1.50% of the drawdown amount, payable upon maturity or upon prepayment of the facility whichever is earlier. | Capital expenditure, working capital and general corporate purposes | May 30, 2024 |
| 5. | Nuvama Crossover Yield Opportunities Fund (acting through Axis Trustee Services Limited) [#] | Non-Convertible debentures | NA | 500 | 14.50% | 30 months (up to November 29, 2026) | Monthly repayment of principal post 9 months of moratorium (commencing from March 31, 2025) | Our Company shall not be entitled, without approval of the investor, to prepay for 12 months from the date of disbursement of the respective tranche. Any time after 12 months, our Company can prepay in part or in full subject to a minimum prepayment amount of one million and a prepayment penalty of 1.0% of the amount to be prepaid by our Company. In the case of prepayment, our Company is required to give an advance notice of 30 business days in writing. Further, the estimated amount of prepayment penalty to be paid is ₹ 5.34 million. Lock-in period for prepayment ends on May 28, 2025. Further, our Company is required to pay backend fees at 1.50% of the drawdown amount, payable upon maturity or upon prepayment of the facility whichever is earlier. | Capital expenditure, working capital and general corporate purposes | NA [#] |
| 6. | Stride Ventures Debt Fund III (acting through Axis Trustee Services Limited) | Non-Convertible debentures | 1,000 | 1,000 | 14.50% | 30 months (up to December 11, 2026) | Monthly repayment of principal post 9 months of moratorium (commencing from April 30, 2025) | Our Company shall not be entitled, without approval of the investor, to prepay for 12 months from the date of disbursement of the respective tranche. Any time after 12 months, our Company can prepay in part or in full subject to a minimum prepayment amount of one million and a prepayment penalty of 1.0% of the amount to be prepaid by our Company. In the case of prepayment, our Company is required to give an advance notice of 30 business days in writing. Further, the estimated amount of prepayment | Capital expenditure, working capital and general corporate purposes* | June 13, 2024 |

| S. No. | Lender | Nature of borrowing | Amount sanctioned (in ₹ million)* | Amount outstanding as on February 28, 2025(in ₹ million)* | Interest rate as on February 28, 2025 [©] | Tenor | Repayment schedule | Prepayment penalty and backend fees conditions | Purpose of borrowing | Date of issuance |
|--------|---|----------------------------|-----------------------------------|---|--|-----------------------------------|---|---|----------------------------|------------------|
| | | | | | | | | penalty to be paid is ₹ 10.68 million. Lock-in period for prepayment ends on June 10, 2025. | | |
| | | | | | | | | Further, our Company is required to pay backend fees at 1.50% of the drawdown amount, payable upon maturity or upon prepayment of the facility whichever is earlier. | | |
| 7. | Alteria Capital Fund III - Scheme A (represented by its investment managers, Alteria Capital Advisors LLP and Alteria Venture Partners LLP) | Non-Convertible debentures | 300 | 150 | 14.85% | 20 months (up to January 1, 2026) | Principal repayment on equal monthly basis in equal instalments commencing from June 1, 2024. Instalments shall be payable on the 1 st day of the month. | Prepayment shall not be permitted before 12 months from the date of investment of fully paid up NCDs. Thereafter, prepayment shall be permitted subject to payment of a prepayment penalty of 1.50% of the amount prepaid. Our Company is required to give a written notice of 15 business days prior to any prepayment. Further, the estimated amount of prepayment penalty to be paid is ₹ 2.39 million. Lock-in period for prepayment ends on April 25, 2025. Further, our Company is required to pay backend fees at 2% of the drawdown amount, payable upon maturity or upon prepayment of the facility whichever is earlier. | General corporate purposes | April 28, 2024 |
| 8. | Alteria Capital Fund II - Scheme I (represented by its investment managers, Alteria Capital Advisors LLP and Alteria Venture Partners LLP) | Non-Convertible debentures | 200 | 100 | 14.85% | 20 months (up to January 1, 2026) | Principal repayment on equal monthly basis in equal instalments commencing from June 1, 2024. Instalments shall be payable on the 1 st day of the month. | Prepayment shall not be permitted before 12 months from the date of investment of fully paid up NCDs. Thereafter, prepayment shall be permitted subject to payment of a prepayment penalty of 1.50% of the amount prepaid. Our Company is required to give a written notice of 15 business days prior to any prepayment. Further, the estimated amount of prepayment penalty to be paid is ₹ 1.59 million. Lock-in period for prepayment ends on April 25, 2025. Further, our Company is required to pay backend fees at 2% of the drawdown amount, payable upon maturity or upon prepayment of the facility whichever is earlier. | General corporate purposes | April 28, 2024 |
| 9. | Innoven India Fund (represented by its investment manager InnoVen Triple Blue Capital Advisors LLP) [§] | Non-Convertible debentures | 600 | 390 | 14.85% | 22 months (up to April 1, 2026) | Principal repayments will start from September 1, 2024. | Prepayment shall not be permitted till 12 months from drawdown. Thereafter, prepayment shall be permitted subject to payment of a prepayment penalty of 2% on the amount outstanding. Our Company shall be required to provide Innoven a written notice of 45 business days prior to any prepayment. Further, the estimated amount of prepayment penalty to be paid is ₹ 7.79 million. Lock-in period for prepayment ends on May 1, 2025. | General corporate purposes | May 4, 2024 |

| S. No. | Lender | Nature of borrowing | Amount sanctioned (in ₹ million)* | Amount outstanding as on February 28, 2025 (in ₹ million)* | Interest rate as on February 28, 2025 [@] | Tenor | Repayment schedule | Prepayment penalty and backend fees conditions | Purpose of borrowing | Date of issuance |
|--------------|---|----------------------------|-----------------------------------|--|--|------------------------------------|---|---|----------------------------|-------------------|
| 10. | Innoven India Capital Fund (represented by its investment manager InnoVen Triple Blue Capital Advisors LLP) ^{\$} | Non-Convertible debentures | 1,000 | 510 | 14.85% | 24 months (up to August 1, 2026) | Principal repayments will start from January 1, 2025. | Prepayment shall not be permitted till 12 months from drawdown. Thereafter, prepayment shall be permitted subject to payment of a prepayment penalty of 2% on the amount outstanding. Our Company shall be required to provide Innoven a written notice of 45 business days prior to any prepayment. Further, the estimated amount of prepayment penalty to be paid is ₹ 9.20 million. Lock-in period for prepayment ends on July 21, 2025. | General corporate purposes | July 24, 2024 |
| 11. | Innoven India Capital Fund (represented by its investment manager InnoVen Triple Blue Capital Advisors LLP) ^{\$} | Non-Convertible debentures | | 200 | 14.85% | 22 months (up to October 1, 2026) | Principal repayments will start from April 1, 2025. | Prepayment shall not be permitted till 12 months from drawdown. Thereafter, prepayment shall be permitted subject to payment of a prepayment penalty of 2% on the amount outstanding. Our Company shall be required to provide Innoven a written notice of 45 business days prior to any prepayment. Further, the estimated amount of prepayment penalty to be paid is ₹ 2.73 million. Lock-in period for prepayment ends on November 12, 2025. | General corporate purposes | November 19, 2024 |
| 12. | Innoven India Capital Fund (represented by its investment manager InnoVen Triple Blue Capital Advisors LLP) ^{\$} | Non-Convertible debentures | | 200 | 14.85% | 22 months (up to November 1, 2026) | Principal repayments will start from May 1, 2025. | Prepayment shall not be permitted till 12 months from drawdown. Thereafter, prepayment shall be permitted subject to payment of a prepayment penalty of 2% on the amount outstanding. Our Company shall be required to provide Innoven a written notice of 45 business days prior to any prepayment. Further, the estimated amount of prepayment penalty to be paid is ₹ 2.24 million. Lock-in period for prepayment ends on February 5, 2026. | General corporate purposes | February 5, 2025 |
| Total | | | 5,600 | 3,798 | | | | | | |

*Out of the total amount of drawdown of ₹ 5,400 million, the Company has utilised ₹ 955.14 million towards capital expenditure

[#] Pursuant to securities transfer agreement dated July 10, 2024 between Strides Venture Capital Fund – II (“**Strides**”) and Nuvama Crossover Yield Opportunities Fund (“**Nuvama**”), Strides has down-sold ₹ 500 million to Nuvama.

[@] The reasons for higher rates of interest applicable to the borrowings of our Company include, among others: (i) that we are yet to turn profitable and continue to report losses, (ii) neither our Company nor the NCDs issued by us are rated by a rating agency, (iii) we have a lower fixed asset base leading to lower fixed asset cover for lenders, and (iv) the underlying NCD holders are venture debt funds that typically tend to have a higher cost of lending.

^{\$} In the last three financial years, our Company had availed a working capital facility of ₹ 400 million from Innoven Capital India Private Limited, and issued non-convertible debentures of ₹ 500 million to Innoven Capital India Fund, both of which had interest rates of 14.50%, have been repaid/ redeemed (as applicable) and are not outstanding as on date.

[^] Except for Sanjay Nayak, an Independent Director, who has contributed 0.11% of the aggregate unitholding of Alteria Capital Fund II - Scheme I and 0.39% of the aggregate unitholding of Alteria Capital Fund III - Scheme A, neither we nor any of our Promoters, Promoter Group, Directors nor the BRLMs are related to the lenders disclosed in the table above.

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In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained the requisite Statutory Auditor's report dated March 11, 2025 issued in accordance with Indian Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information", issued by the Institute of Chartered Accountants of India, certifying the utilisation of loans for the purpose availed.

Our Directors, Key Managerial Personnel, members of Senior Management, Promoters, members of our Promoter Group and Group Company do not have any interest in the proposed investment to be made by our Company towards the abovementioned Object.

III. Investment in research and development

Research & Development ("R&D") is fundamental to our business model and plays a crucial role in enabling us to cater to the growing market opportunity for the EV sector. Our vertically integrated approach in respect of our products is centred around making significant investment towards developing and designing our products and addressing evolving customer preferences. We design 80% of the key components of our E2Ws, such as the chassis, battery pack and battery management system, vehicle control unit, motor controller, transmissions and signal harness, in addition to designing our charging infrastructure, accessories and the underlying software, in-house. Our R&D activities typically involve design, development and testing of (i) our E2W products, (ii) software for our E2Ws, (iii) our charging infrastructure, and (iv) our accessories, which are focussed on each with the aim of achieving improvement in quality, cost reductions, economies of scale, reduce supply chain dependencies, quality and user experience.

We have made significant investments in R&D in the past and will continue to undertake such efforts to improve our hardware and software infrastructure across the charging infrastructure and accessories, upgrade our existing product portfolio and design and develop new E2W products. Our R&D efforts have a crucial role in enabling us to cater to evolving market preferences in the E2W sector and our investment in R&D will further increase as our product lines expand. Our R&D expenditure for the nine months ended December 31, 2024 and December 31, 2023 and in Fiscals 2024, 2023 and 2022 was ₹ 2,388 million, ₹ 1,637 million, ₹2,365 million, ₹1,916 million and ₹1,010 million, respectively, which constituted 15%, 13%, 13%, 11% and 25% of our revenue from operations in the nine months ended December 31, 2024, December 31, 2023, Fiscals 2024, 2023 and 2022, respectively.

R&D facilities

We currently have three R&D facilities in India, located at IBC Knowledge Park and NS Palya in Bengaluru, Karnataka, and we have commissioned our third R&D facility at Begur in Bengaluru, Karnataka in January, 2024, to the limited extent and the balance development is in process. Our R&D facilities house component testing labs, prototype build labs, battery labs and vehicle testing facilities. Our R&D facilities are situated on land leased from third parties to save on upfront capital investments and to maintain flexibility in adapting our business operations to changes in consumer demands.

The R&D facility located at IBC Knowledge Park in Bengaluru, Karnataka, seats our industrial design and engineering teams, and also houses our industrial design studio, cell lab, software testing labs, integration lab, electronics testing labs and virtual simulation facilities. The design of all our products is undertaken at this R&D facility and this facility has also been recognised by the Department of Scientific and Industrial Research as an 'in-house R&D unit'.

The R&D facility located at NS Palya in Bengaluru, Karnataka houses the battery lab and vehicle durability testing facilities and is also equipped with testing equipment for durability testing of our E2Ws, instrumentation and testing protocols to evaluate various aspects of vehicle performance, including acceleration, braking, handling and rider comfort. We test our battery packs here and evaluate various aspects of battery performance, such as structural integrity, charging efficiency, cycle life and safety. We have accumulated 3.7 million km of road tests as of December 31, 2024.

The R&D facility located at Begur in Bengaluru, Karnataka facilitates on-road durability and mechanical durability testing processes and also houses a reliability test lab, structural dynamics lab, battery test lab, vehicle environment test lab and data acquisition lab.

Product Launches

Our R&D capabilities have been crucial in facilitating our current E2W line-up of two product lines, the Ather 450 performance line and the Ather Rizta convenience scooter line, with a total of seven variants. We delivered the first Ather 450 in September 2018. The Ather 450 was the first E2W to offer features such as a touchscreen dashboard with navigation, internet connectivity, cloud integration and aluminium chassis, according to the CRISIL Report. The Ather 450 was also the first E2W to offer a top speed of 80 kmph comparable to ICE scooters, according to the CRISIL Report. Following that, we launched the Ather 450X in January 2020, the Ather 450 X (Generation 3) in July 2022, the Ather 450 X (Generation 3.1) in January 2023, the Ather 450S in August 2023 and the Ather 450 Apex in January 2024. With the Ather 450X, we improved the model's performance with features such as warp mode and Bluetooth-based features. The Ather 450X (Generation 3) introduced higher driving range options and the Ather 450X (Generation 3.1) introduced more colour options in January 2023. The Ather 450S, a more affordable model than the Ather 450X, featured the DeepView display on the dashboard. With the Ather 450 Apex, we increased the 450 line's acceleration and top speed specifications and introduced new features, such as the Magic Twist, a ride feature that allows riders to utilise the vehicle's throttle for electronic braking regardless of the level of battery charge.

With respect to our value addition in manufacturing and assembly, we assemble our E2Ws and manufacture our battery packs in-house. Our R&D teams also design the production lines for battery manufacturing and vehicle assembly. In-house design of these production lines coupled with in-house manufacturing of the battery pack and the vehicle assembly enables us to control manufacturing parameters including quality and quantity. Additionally, it enables us to oversee key product quality metrics such as fit and finish of the vehicle and water proofing of the battery pack.

The Ather Rizta, launched in April 2024, is our first convenience scooter model featuring a large seat and safety features such as SkidControl. With the introduction of each new EV model, we also leveraged our R&D and design capabilities to introduce new features and performance upgrades. The Ather Rizta utilises the battery, powertrain and software of the 450 platform while using a modified chassis and electronics platform. The various elements of the 450 platform are common building blocks that we can leverage to develop and manufacture different products that cater to a variety of customer preferences.

While the technology of the competitors of our Company is currently comparable to ours, our Company introduced several technologies first to the E2W market, according to CRISIL report, by introducing features like touchscreen dashboard with navigation, internet connectivity via 3G SIM, aluminium chassis, fast charging and guide-me-home lights. Our Company has also introduced several industry first features such as traction control, fall safe, cloud integration, OTA updates (Over-The-Air), ride statistics on app, through their software package, AtherStack. We were also the first OEM to introduce an electric scooter with a top speed of 80 kmph, first OEM to establish its own fast charging network (Ather Grid) and also the first OEM to develop a smart helmet (Halo).

Further, according to the CRISIL Report, we were the first two-wheeler ("2W") OEM to establish a 2W fast charging network, the Ather Grid, in India. Our product ecosystem is powered by the Atherstack, our in-house developed software which provides features related to navigation, analytics, ride assistance, safety and productivity, as well as integration with our charging infrastructure and smart accessories. It had 69 features as at December 31, 2024.

Historical R&D initiatives

Our R&D initiatives in the last three Fiscal Years were towards the development of the existing 450 E2W platform (comprising battery, chassis, powertrain, software and electronics), a new battery platform and our in-house motor controller and low-cost smart dashboard, improvement of our powertrain, as well as various cost reduction initiatives such as developing our in-house motor controller and belt transmission system. These efforts enabled launch of the Ather 450X, 450S, 450 Apex and Rizta products in the last three fiscals. We also designed and developed charging infrastructure products such as the fast charger, the Ather neighbourhood charger and the Ather Duo charger, which works as a fixed as well as portable charger.

A few key R&D developments in the last three fiscals are elaborated below:

- (i) *Design and development of new chassis for Ather Rizta*: The Ather Rizta, launched in April 2024, is our first convenience scooter model. Our R&D initiatives in respect of Ather Rizta include redesign of our prior chassis and assembly line, design of new lamps, body panels and accessories, and tuning of our powertrain. This involved creating virtual simulations and testing multiple prototypes.

- (ii) *Design and development of advanced versions of the Atherstack*: Our product ecosystem is powered by the Atherstack, our in-house developed software which provides features related to navigation, analytics, ride assistance, safety and productivity, as well as integration with our charging infrastructure and smart accessories. The R&D efforts in respect of Atherstack in the last three fiscals have been focussed on expansion of features through development of new firmware, algorithms, human machine interface, applications and data platform. The Atherstack is crucial in enabling us to gain insight on usage patterns of customer cohorts that we analyse to further advance our vehicle features, quality and performance in line with evolving customer needs.
- (iii) *Design and development of the Ather Drive Controller (“ADC”)*: The ADC is a motor controller module developed in-house to maintain control over the power delivery process. The design and development of ADC involved mechanical, electrical, assembly line design and software development through virtual simulations and testing of multiple prototypes. The ADC has enabled us to deliver features such as the MagicTwist, which allows for electronic braking from 0% to 100% of the battery state of charge, the Smart-Eco mode, which dynamically adjusts power delivery to ensure a longer driving range and SkidControl which adjusts torque to the rear wheel to prevent skidding, commonly known as traction control.
- (iv) *Design and development of Halo smart helmet and Halo Bit*: The Halo smart helmet offers features such as ChitChat (*i.e.* a helmet-to-helmet communication system), a premium sound system, a microphone equipped with noise filtration, and Auto WearDetect sensors that automatically connects the helmet with the user’s phone when worn. The Halo Bit is a device that can be attached to an Ather half-face helmet to provide the user with access to some of the Halo smart helmet functions, such as ChitChat, music sharing and noise filtration. Our R&D efforts in respect of the Halo smart helmet and Halo Bit include design and development of the helmet shell, electronics, assembly line and software.

Investment in R&D

The components of our R&D costs are manpower costs and non-manpower costs, as described in detail below:

Manpower costs:

Our R&D team comprised 948 on-roll and off-roll employees, including engineers as at December 31, 2024. Our manpower costs include payment of salaries to our design engineers, graduate engineering trainees, research scientists, industrial designers, data scientists and other professionals and off-roll employees involved in design and development of our E2W products, software, charging infrastructure and accessories in the verticals of design, engineering, product management and product ownership. Further, our Company is required to pay statutory dues to our employees including employee provident fund contributions and there have been certain delays in the payment of such statutory dues. For further details of such delays, please see “**Risk Factors – There have been certain instances of delays in payment of statutory dues in the past. Any delay in payment of statutory dues in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows**” on page 56. Our off-roll employees assist us primarily in testing and also support with design drawings and prototyping. Our on-roll and off-roll employees in our R&D team has been as follows:

| Particulars | On-roll employees | Off-roll employees | Total strength |
|-------------------------|-------------------|--------------------|----------------|
| As at March 31, 2022 | 361 | 104 | 465 |
| As at March 31, 2023 | 693 | 193 | 886 |
| As at March 31, 2024 | 701 | 105 | 806 |
| As at December 31, 2024 | 731 | 217 | 948 |

Our manpower costs for R&D in the nine months ended December 31, 2024 and December 31, 2023, Fiscals 2024, 2023 and 2022 were ₹ 1,309 million, ₹ 1,113 million, ₹1,518 million, ₹ 1,204 million and ₹ 575 million, respectively (inclusive of taxes). The increase in our manpower costs is in line with the increase in our overall costs, historically.

The costs for on-roll and off-roll employees is disclosed below:

(in ₹ million)

| Particulars | Nine months ended, December 31 | | Fiscal | | |
|--------------------|--------------------------------|-------|--------|-------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| On-roll employees | 1,242 | 1,006 | 1,381 | 1,051 | 526 |
| Off-Roll employees | 67 | 107 | 137 | 153 | 49 |
| Total | 1,309 | 1,113 | 1,518 | 1,204 | 575 |

Non-manpower costs:

Investments into R&D involves non-manpower costs which include testing expenses, prototyping costs, licensing costs for product development activities, development of tools such as moulds for casting, fixtures for welding and machining, for components, expenditure relating to operations of testing facilities and labs. Our R&D facilities house testing labs, prototype build labs, battery labs and vehicle testing facilities. Our vehicle testing facilities play a crucial role in ensuring the overall quality and reliability of Ather E2Ws, particularly for India's roads. These facilities are equipped with sophisticated instrumentation and testing protocols to evaluate every aspect of vehicle performance, from acceleration and braking to handling and ride comfort. Our battery labs enable us to test our battery packs and evaluate various aspects of battery performance, such as structural integrity, charging efficiency, cycle life and safety. Our cell lab enables us to work closely with cell suppliers to test different cell form factors and develop cells customised for optimal performance on our vehicles. Our EV scooters are certified by relevant authorities and certification organisations, including the Automotive Research Association of India. Our battery packs are tested to ensure an IPX7 waterproof rating and have been certified by the Automotive Research Association of India as per AIS 156. Our non-manpower costs for R&D in the nine months ended December 31, 2024, December 31, 2023, Fiscals 2024, 2023 and 2022 was ₹ 1,079 million, ₹ 524 million, ₹847 million, ₹ 712 million and ₹ 435 million, respectively (inclusive of taxes). R&D includes internally generated intangible assets (i.e. product development cost). Product development cost capitalised as an intangible asset includes manpower and non-manpower costs incurred during the development phase of the product.

Current R&D focus areas

Our R&D team is currently focussed on the following areas of vehicle, software, charging infrastructure and accessories development:

- (i) Addressing production ramp-up for recently launched Ather Rizta, including development projects for quality and cost structure improvements;
- (ii) Development of various sub-systems of the new E2W platform, including chassis, powertrain and electronics, in order for the platform to serve as a more cost-effective and versatile platform for the development of our scooter lines;
- (iii) Preliminary designing of our new motorcycle platform which includes virtual simulation of various motorcycle and battery architectures, prototyping and testing of various concepts prior to finalization;
- (iv) Designing a new battery platform using the LFP cathode chemistry, which is expected to be compatible with some of our existing products and leverage the price difference between LFP and nickel based chemistries. We are exploring the use of heavy rare-earth free and rare-earth magnet free motors to reduce our dependence on the rare earth metals while reducing our costs. We conducted production trials for our LFP based battery packs in December 2024. However, our Company does not currently undertake any original battery cell development;
- (v) Improving software reliability prior to mass deployment of Atherstack 6, which involves testing of all new software features across a range of mobile devices and older scooter generations to ensure consistent performance for all customers;
- (vi) Design of higher power charging systems to reduce charging time through increase of current carrying capacity and voltage of existing charging technology. Exploration of concepts through prototyping and testing in order to reduce costs of our current charging infrastructure products.

Outlook towards future R&D investments

India was the largest 2W market as at December 31, 2024, with a total domestic sales of 18.4 million 2Ws, in Fiscal 2024 according to the CRISIL Report, and this market is expected to grow at a CAGR of ~7% between Fiscals 2024 and 2031, to reach a market size of 29 to 30 million in Fiscal 2031. Electrification of 2Ws has brought about innovative features and a better total cost of ownership (“TCO”) as compared to ICE vehicles, and consequently, E2W penetration has risen to 5.1% in Fiscal 2024 and is expected to increase to 35-40% by Fiscal 2031, according to the CRISIL Report.

We believe we will continue to require sustained investment in R&D activities to stay competitive and improve our products. As we seek to foray into more segments of the electric scooter market and venture into the electric motorcycle market, we will require a wider portfolio of products to penetrate well into the market in India and other countries. For instance, the motorcycle market in India has seen low EV penetration according to the CRISIL Report and therefore presents an opportunity for a product that can drive EV penetration. Such products may require sustained R&D efforts to be able to effectively address customer requirements. Additionally, we will work on leveraging technological advancements across various platforms such as powertrain, battery and software and electronics in our products to make our products more appealing to customers while improving our unit economics.

In addition to our current R&D focus areas, we propose to continue investing in R&D and focusing on aspects that will contribute towards quality improvement, economies of scale, cost reductions and lower supply chain dependencies, and enhance overall user experience in respect of our products over the next three Fiscals, which include, among others:

- (i) Design and development of battery packs and battery management systems for our proposed motorcycle platform, and adoption of new battery platform based on alternative chemistries for our existing product portfolio in Fiscal 2026;
- (ii) Design and development of powertrains for our proposed new scooter and motorcycle platforms, and exploring rare-earth free and heavy rare-earth free motor technologies;
- (iii) Design and development of chassis for our proposed new scooter platform planned to be launched between Fiscals 2026 and 2027, and our proposed motorcycle platform-planned to be launched between Fiscals 2027 and 2028, including body panels and peripheral components;
- (iv) Development of a dashboard and instrument cluster for our proposed new scooter and motorcycle platforms, new vehicle control unit for our proposed motorcycle platform and amalgamation of electronic modules;
- (v) Development of embedded software, new algorithms for vehicle functions (such as charging, battery charge estimation, health estimation, regenerative and electronic braking and thermal management) and development of new features for the Ather app on two different operating systems in Fiscals 2026, 2027 and 2028;
- (vi) Design and development of new accessories that augment our product experience, and explore methods for cost reduction of our accessories;
- (vii) Design and development of new fast charging technology in Fiscal 2026, new slow charging technology and improvement of existing charging infrastructure to improve performance and reduce costs.

The above R&D related timelines are based on management estimates, and actual R&D may vary depending on, among other things, business requirements, availability of external technologies and products, our ability to successfully undertake such R&D activities. If the Net Proceeds are not deployed fully or partially against the R&D focus areas during the respective Fiscals stated above due to various business and commercial considerations such as delays in releases or launches, longer periods required for development, they may be deployed in the subsequent Fiscals when the utilization is required. For risks in relation to R&D, please see “**Risk Factors - Our research and development efforts may not yield expected results and we may not recoup our investments, which could adversely affect our financial condition, results of operations and prospects.**”

The Board of our Company pursuant to its resolution dated September 6, 2024 has estimated that a sum of ₹ 7,500 million out of the total Net Proceeds will be required for investment into research and product development over the next three years. The proposed schedule of deployment of funds is as follows:

| (in ₹ million) | | | |
|-------------------|---------------------------|-------------------------|-------------------------|
| Particulars | Fiscal 2026 | Fiscal 2027 | Fiscal 2028 |
| Investment in R&D | Manpower costs*: 1,600 | Manpower costs*: 1,950 | Manpower costs*: 1,730 |
| | Non-manpower costs: 1,100 | Non-manpower costs: 700 | Non-manpower costs: 420 |
| | Total: 2,700 | Total: 2,650 | Total: 2,150 |

*Estimating future hiring and manpower attrition

The above schedule of deployment is based on our historical trends of our manpower and non-manpower costs incurred for the nine months ended December 31, 2024 and December 31, 2023 and in Fiscals 2024, 2023 and 2022, our current R&D focus areas and our outlook towards future R&D investments. For further details of the manpower and non-manpower costs incurred for the nine months ended December 31, 2024 and December 31, 2023 and in Fiscals 2024, 2023 and 2022, please see “- **Investment in R&D**” on page 187. Our investment in R&D is subject to multiple internal and external factors, including applicable business requirements, our ability to compete effectively, adapt to changes in customer and user preferences, availability of regulatory incentives for the EV industry and upcoming technological advancements. For further details on expansion of our product portfolio, please see “**Our Business – Our Strategies - Strategic expansion of our product portfolio through our multi product technology platforms**” on page 274.

Our Directors, Key Managerial Personnel, members of Senior Management, Promoters, members of our Promoter Group and Group Company do not have any interest in the proposed investment to be made by our Company towards the above-mentioned Object.

IV. Expenditure towards marketing initiatives

We are invested in building an EV ecosystem with a community of current and future Ather customers and EV enthusiasts around the “Ather” brand. We engage in marketing initiatives through brand building efforts, advertising and promotion of Ather products by use of online and offline media platforms, including television, print, outdoor media, social media, influencer marketing and through brand association by way of event sponsorships and product placement in movies.

We strategically invest in marketing initiatives that drive brand salience. We have launched brand campaigns during cricket series that have been broadcast on multiple television channels and OTT platforms. We have also undertaken campaigns through cricket and football teams and in relation thereto undertaken marketing campaigns on television, print media, social media, digital platforms and through influencer marketing. Branding and marketing campaigns of such nature enable repeated brand exposure amongst our consumers who follow these sports.

Our marketing initiatives are typically undertaken either for brand building efforts to drive awareness of new product launches, festive campaigns and micro-marketing in targeted areas or to consistently drive demand for the existing product portfolio through product promotions. We do this through an omnichannel approach by way of investments in traditional and digital media platforms across India and other markets where we have operations, to expand our retail footprint, as well as through influencer marketing and content marketing on social media. Sustained marketing activities play an important role in building the sales funnel and creating awareness of our product portfolio. Festive campaigns are opportunities for us to market our products during peak buying celebratory seasons. Micro-marketing is undertaken in target markets to harness opportunities and address challenges we perceive in these markets.

We seek to attract more consumers to join the Ather community and establish ourselves not just as an EV manufacturer, but also as the brand of choice when it comes to an upgrade. We host an annual Community Day event that gathers Ather owners from across India. This provides us an opportunity to strengthen our relationships with our customers and excite them with new products/technologies we are working to implement in the future. At our most recent Community Day in April 2024, we had an offline and online attendance of 2,281 persons and 20,343 persons, respectively. We reward customer loyalty through promotions for Community Day attendees. We also host open houses for current customers, potential customers and EV enthusiasts to gather in a close setting and bring them through the Ather product journey. Further, we host Wheee camps, featuring one-day intensive training that teaches users how to ride their scooters. In addition, we have an Ather Vantage community, whereby we collaborate with universities to host tech competitions, knowledge-sharing sessions and share our knowledge

and experience of building EVs ground up. Further, at our AtherSpace experience centres across India, customers are able to get first-hand information about our products through product specialists, test drive our E2Ws and know more about our charging infrastructure and accessories. This helps promote our brand while making our customers aware of the product we are building for them.

In 2023, we were awarded the ‘2023 PR and Communications Team of the Year (Bike)’ and ‘2023 Best Creative Film (Bike)’ by Acko Drive Awards for our battery advertisement. In 2022, our marketing campaign was awarded the ‘Best Creative Film of the Year’ by Car and Bike Awards.

Our advertisement and marketing expenses for the nine months ended December 31, 2024 and December 31, 2023 and for the Fiscals 2024, 2023 and 2022 were as follows:

| Particulars | Nine months ended December 31, 2024 | Nine months ended December 31, 2023 | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|--|--|--|----------------|----------------|----------------|
| Advertisement and marketing expenses (in ₹ million)* | 1,170 | 715 | 1,071 | 2,259 | 539 |
| Advertisement and marketing expenses as a % of revenue from operations (%) | 7% | 6% | 6% | 13% | 13% |

*Inclusive of ₹164 million, ₹124 million, ₹164 million, ₹221 million and ₹84 million as taxes for the nine months ended December 31, 2024 and December 31, 2023 and for Fiscal 2024, 2023 and 2022 respectively.

Our marketing journey has evolved over the past few years. In Fiscal 2022, we commenced focussing on brand building and expansion of retail footprint as we saw the EV sector gaining increasing consumer adoption. In Fiscal 2023, we undertook brand campaigns and scaled up marketing investments as we launched our products, Ather 450X (Generation 3) and Ather 450X (Generation 3.1). In Fiscal 2024, we reduced and optimized marketing spends foreseeing a slowdown in consumer demand given the reduction of regulatory incentives in respect of EVs under phase II of the FAME scheme. In the nine months ended December 31, 2024, we again scaled up our investments in marketing owing to increase in brand promotions and other marketing initiatives for the launch of Ather Rizta and Halo smart helmet, and continued marketing of the Ather 450 series.

Our Company has entered into a service agreement dated June 14, 2024 (“**Execution Date**”) and a first addendum to the service agreement dated September 5, 2024 with Initiative Media (India) Private Limited, through its media division, Initiative, Bangalore (“**Agency**”) for the purpose of *inter alia* planning, preparing and placing of advertisements through various media, such as television, print, radio, cinema, outdoor and digital media for our Company (“**Marketing Agreement**”). The Marketing Agreement is valid for a period of three years from the Execution Date or until the full deployment of the budgeted marketing expenses under it of ₹3,000 million. The scope of services under the Marketing Agreement includes, *inter alia*, marketing on online and offline media on a non-exclusive basis for the materials being advertised by our Company. The Board of our Company pursuant to its resolution dated September 6, 2024 has taken on record the Marketing Agreement.

Future outlook and proposed utilization of Net Proceeds

As stated in the CRISIL Report, E2Ws designed and manufactured in India offer a higher number of features and similar performance compared to a majority of global peers. With the aim of creating product awareness, brand building and driving EV adoption, our focus is oriented towards deepening the awareness of our brand across India, increasing brand love and to drive awareness of our new products among new consumer segments. As we continue our journey, we will invest in marketing and promotion activities and branding, promotion, acquisition and marketing campaigns to increase customer awareness and affinity towards the “Ather” brand and will also look for new media opportunities which evolve based on changing consumer media consumption habits.

We intend to utilize ₹ 3,000 million of our Net Proceeds towards funding our marketing initiatives, deployed as ₹ 1,500 million in Fiscal 2026 and ₹ 1,500 million in Fiscal 2027. Our deployment of the Net Proceeds for this Object and the medium through which marketing initiatives may be undertaken is contingent on various internal and external factors, such as our Company’s business and marketing plans, expected viewership of advertisements in different geographies or user segments, growth of the EV industry, our proposed product launches, the nature of our marketing campaigns and advertising, etc. Further, maintaining and improving upon our marketing strategies involves expenditures which may not be proportionate to the revenue generated and customers acquired.

Our Directors, Key Managerial Personnel, members of Senior Management, Promoters, members of our Promoter Group and Group Company do not have any interest in the proposed investment to be made by our Company towards the above-mentioned Object.

V. General corporate purposes

The Net Proceeds will first be utilized for each of the other Objects as set out in this section. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with Regulation 7(2) of the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to strategic initiatives, funding growth opportunities, working capital requirements, maintenance of plants and machineries, support functions, meeting corporate exigencies and any other purpose in the ordinary course of business, as may be approved by our management, from time to time, subject to compliance with applicable law, including provisions of the Companies Act. The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements, the amount actually available under this head and other relevant considerations, from time to time.

Offer-related Expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million.

Other than (a) listing fees, stamp duty payable on issue of Equity Shares pursuant to Fresh Issue, audit fees of statutory auditors (to the extent not attributable to the Offer) and expenses in relation to product or corporate advertisements consistent with past practice of our Company which will be borne by our Company; and (b) fees and expenses in relation to the legal counsel appointed by the respective Selling Shareholders which shall be borne by the respective Selling Shareholders, each of our Company and the Selling Shareholders have agreed that all costs, charges, fees and expenses associated with and incurred directly with respect to the Offer will be shared among our Company and the Selling Shareholders, on a *pro rata* basis, in proportion to the number of Equity Shares (i) issued and Allotted by our Company through the Fresh Issue and (ii) sold by each of the Selling Shareholders through the Offer for Sale, in accordance with Applicable Law. For avoidance of doubt, it is clarified that in the event the Other Selling Shareholders do not sell and/ or fully withdraws from the Offer or abandon the Offer, at any stage, prior to completion of the Offer, consequently them not being a party to the Offer Agreement, they shall not be liable to pay and/ or reimburse our Company for any cost, charges, fees and expenses associated with and incurred in connection with the Offer (including BRLMs fee and expenses). All such payments shall be made by our Company on behalf of the Selling Shareholders and, each of the Selling Shareholders agree that it shall reimburse our Company, on a *pro rata* basis, in proportion to its respective portion of the Offered Shares that are sold in the Offer, for any documented expenses incurred by our Company on behalf of such Selling Shareholder, subject to receipt of supporting documents for such expenses upon the successful completion of the Offer. It is further clarified that all payments shall be made first by our Company and consequently each of the Selling Shareholders severally and not jointly shall reimburse our Company for its respective proportion of Offer related expenses upon the success of the Offer. In the event that the Offer is postponed or withdrawn or abandoned for any reason or in the event the Offer is not successfully completed, all expenses in relation to the Offer including the fees of the Book Running Lead Managers, and their respective reimbursement for expenses which may have accrued up to the date of such postponement, withdrawal, abandonment or failure as set out in their respective engagement letters, shall be borne and paid by our Company and each of the Selling Shareholders, on a *pro rata* basis, in proportion to the number of Equity Shares proposed to be issued and Allotted by our Company through the Fresh Issue and the respective portion of the Offered Shares proposed to be transferred by each of the Selling Shareholders in the Offer for Sale.

The estimated Offer expenses are as follows:

| (₹ in million) | | | | |
|----------------|--|---------------------------------|---|-------------------------------------|
| S. No | Activity | Estimated amount ⁽¹⁾ | As a % of total estimated Offer expenses ⁽¹⁾ | As a % of Offer size ⁽¹⁾ |
| 1. | BRLMs fees and commissions (including underwriting commission, brokerage and selling commission) | [●] | [●] | [●] |
| 2. | Fees payable to the Registrar to the Offer | [●] | [●] | [●] |

| S. No | Activity | Estimated amount ⁽¹⁾ | As a % of total estimated Offer expenses ⁽¹⁾ | As a % of Offer size ⁽¹⁾ |
|---------------------------------------|---|---------------------------------|---|-------------------------------------|
| 3. | Selling commission/processing fee for SCSBs and Bankers to the Offer, fee payable to the Sponsor Bank for Bids made by RIIs using UPI, brokerage and selling commission and bidding charges for the Members of the Syndicate, Registered Brokers, RTAs and CDPs ^{(2)(3)(4) (5)(6)(7)(8)} | [●] | [●] | [●] |
| 4. | Advertising and marketing expenses | [●] | [●] | [●] |
| 5. | Other expenses (i) Listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees, (ii) Other regulatory expenses, (iii) Printing and stationery expenses (iv) Fees payable to the legal counsel (v) Fees payable to other advisors to the Offer, including but not limited to Statutory Auditors, independent chartered accountant, industry expert, and independent chartered engineer (vi) Miscellaneous | [●] | [●] | [●] |
| Total estimated Offer Expenses | | [●] | [●] | [●] |

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price. Offer expenses are estimates and are subject to change. Offer expenses include goods and services tax, where applicable.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employee Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

| | |
|--|--|
| Portion for Retail Individual Investors* | 0.30 % of the Amount Allotted* (plus applicable taxes) |
| Portion for Non-Institutional Investors* | 0.15 % of the Amount Allotted* (plus applicable taxes) |
| Portion for Eligible Employees* | 0.15 % of the Amount Allotted* (plus applicable taxes) |

*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. 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 or NSE.

(3) No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the Bid cum Application Forms directly procured by them. Processing fees payable to the SCSBs for capturing Syndicate Members/sub-Syndicate (Brokers)/ Sub-broker code on the ASBA Form for Non-Institutional Bidders and Qualified Institutional Bidders with bids above ₹ 500,000 would be ₹ 10 plus applicable taxes, per valid application.

(4) The uploading charges/ processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows:

| | |
|--|--|
| Members of the Syndicate / RTAs / CDPs | ₹ 30 per valid application (plus applicable taxes) |
| Sponsor Banks | Nil per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall 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 the SEBI circulars, the Syndicate Agreement and other applicable laws. |

*Based on valid applications

(5) Brokerage, selling commission and processing/ uploading charges on the portion for Retail Individual Investors, Non-Institutional Investors and Eligible Employees which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs for using 3-in-1 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:

| | |
|---|--|
| Portion for Retail Individual Investors | 0.30 % of the Amount Allotted* (plus applicable taxes) |
| Portion for Non-Institutional Investors | 0.15 % of the Amount Allotted* (plus applicable taxes) |
| Portion for Eligible Employees | 0.15 % of the Amount Allotted* (plus applicable taxes) |

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

(6) The selling commission payable to the Syndicate / sub-Syndicate Members will be determined 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.

For Non-Institutional Bidders, Syndicate ASBA Form bearing SM Code and Sub-Syndicate Code of the Bid cum Application Form submitted to SCSBs for blocking of funds and uploading on the Stock 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 SCSBs.

- (7) *Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIIs and Eligible Employees using 3-in-1 accounts/Syndicate ASBA mechanism and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts/Syndicate ASBA mechanism, would be as follows: ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

Bidding charges/ processing charges payable on the application made using 3-in-1 accounts will be subject to a maximum cap of ₹2 million (plus applicable taxes), in case if the total Bidding charges /processing charges exceeds ₹ 2 million (plus applicable taxes) then it will be paid on pro-rata basis for portion of (i) RII's (ii) NII's (iii) Eligible Employees, as applicable. The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIIs, Non-Institutional Bidders, Eligible Employees which are directly procured by the Registered Brokers and submitted to SCSB for processing, would be as follows:

| | |
|---|---|
| <i>Portion for Retail Individual Investors*</i> | <i>₹ 10 per valid application (plus applicable taxes)</i> |
| <i>Portion for Non-Institutional Investors*</i> | <i>₹10 per valid application (plus applicable taxes)</i> |
| <i>Portion for Eligible Employees*</i> | <i>₹ 10 per valid application (plus applicable taxes)</i> |

**Based on valid applications*

- (8) *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 the SEBI ICDR Master Circular.*

Interim use of funds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge loan

Our Company has not raised any bridge loans from any banks or financial institutions, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company has appointed a Monitoring Agency for monitoring the utilisation of Gross Proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds including in relation to the utilisation of the Gross Proceeds towards general corporate purposes) and the Monitoring Agency shall submit the report required under Regulations 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Gross Proceeds, have been utilised in full in accordance with the Monitoring Agency Agreement. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay.

Our Company will disclose and continue to disclose, till the time any part of the Fresh Issue proceeds remains unutilised, the utilisation of the Gross Proceeds, including interim use under a separate head in its balance sheet for such fiscal years as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal years, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilised Gross Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads with an item by item description for all the expense heads and sub-heads disclosed under each of the objects of the Offer, as applicable, in the notes to our financial results.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. Subject to applicable laws including SEBI Listing Regulations, on an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. Such disclosure shall be made until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company and such certification shall be provided to the

Monitoring Agency. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the Objects.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects unless our Company is authorized to do so by way of a special resolution of its Shareholders, through postal ballot and such variation will be in accordance with the applicable laws including the Companies Act 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution by postal ballot shall specify the prescribed details and be published in newspapers, one in English, one in Hindi and one in Kannada, the vernacular language where our Registered Office is situated.

In accordance with the Companies Act, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act and the SEBI ICDR Regulations. For further details, see *“Risk Factors – Management judgement is used when ascertaining our funding requirements and the proposed deployment of Net Proceeds. We have not entered into any definitive arrangements to utilise certain portions of the Net Proceeds of the Offer”* on page 91.

Appraising entity

None of the Objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any bank/ financial institution.

Other Confirmations

Except to the extent of the proceeds received from the Offer for Sale, there is no proposal whereby any portion of the Offer proceeds will be paid to our Promoters, Promoter Group, Directors, Key Managerial Personnel or members of the Senior Management, no part of the Net Proceeds will be paid by our Company to our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel, members of the Senior Management or Group Company, except in the ordinary course of business.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with any of Promoters, members of our Promoter Group, Directors, Key Managerial Personnel, members of the Senior Management or Group Company in relation to the utilization of the Net Proceeds.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company in consultation with the BRLMs, and in accordance with applicable law, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price, and Floor Price is [●] times the face value and the Cap Price is [●] times the face value. Investors should also refer to the sections “*Risk Factors*”, “*Our Business*”, “*Restated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 43, 257, 359 and 436, respectively, to have an informed view before making an investment decision.

I. Qualitative Factors

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

1. Our ability to pioneer new technologies;
2. Our E2Ws are positioned at a premium price in their respective segments in the E2W market;
3. Vertically integrated approach to product design with strong in-house R&D capabilities;
4. Software defined ecosystem that drives high customer engagement and drives margins;
5. Established and scalable technology platform enabling accelerated product launches;
6. Experienced management team and long-term investors committed to strong corporate governance standards.

For further details, see “*Risk Factors*” and “*Our Business – Our Competitive Strengths*” on pages 43 and 267, respectively.

II. Quantitative Factors

Certain information presented below relating to our Company is based on the Restated Financial Information. For details, see “*Restated Financial Information*” and “*Other Financial Information*” on pages 359 and 432, respectively.

1. Basic and diluted earnings per Equity Share (“EPS”):

As derived from the Restated Financial Information:

| Particulars | Basic EPS* (₹) | Diluted EPS* (₹) | Weight |
|---------------------------------------|----------------|------------------|--------|
| Financial Year ended March 31, 2024 | (47) | (47) | 3 |
| Financial Year ended March 31, 2023 | (48) | (48) | 2 |
| Financial Year ended March 31, 2022 | (27) | (27) | 1 |
| Weighted Average | (44) | (44) | |
| Nine months ended December 31, 2024** | (23) | (23) | - |
| Nine months ended December 31, 2023** | (36) | (36) | - |

**Not annualised.

*The Board of Directors of the Company in its meeting held on June 18, 2024 and shareholders of the Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 130,610 equity shares of ₹ 1 each. The number of shares used for the calculation of earnings per share, and the earnings per share (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - “Earnings Per Share”, prescribed under Section 133 of the Companies Act, 2013.

Notes:

1. Basic EPS is calculated as loss for the period/year attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the period/year.
2. Diluted EPS is calculated as loss for the period/year attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the period/year adjusted for the effects of all dilutive potential Equity Shares.
3. Weighted average number of equity shares (including equivalent number of equity shares on conversion of instruments entirely equity in nature) is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during the period/year 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 total number of days during the period/year.
4. Earnings per share calculations are in accordance with Ind AS 33 “Earnings per share”.

2. Price/Earning (“P/E”) ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

| Particulars | P/E at the Floor Price* (no. of times) | P/E at the Cap Price (no. of times)* |
|--|---|---|
| Based on basic EPS for financial year ended March 31, 2024 | [●] | [●] |
| Based on diluted EPS for financial year ended March 31, 2024 | [●] | [●] |

*To be updated at the price band stage.

3. Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, details of the highest, lowest and industry average P/E ratio are set forth below:

| Particulars | Name of the Company | P/E ratio |
|-------------|-----------------------|-----------|
| Highest | TVS Motors Limited | 68 |
| Lowest | Hero MotoCorp Limited | 20 |
| Average | | 38.50 |

Note: The highest and lowest industry P/E shown above is based on the peer set provided below under “Comparison with listed industry peers”. The industry average has been calculated as the arithmetic average P/E of the peer (excluding the peer where P/E is not applicable) set provided below. For further details, see “- Comparison with listed industry peers” below.

4. Return on Net Worth (“RoNW”)

As derived from the Restated Financial Information:

| Particulars | RoNW (%) | Weight |
|---------------------------------------|---------------|--------|
| Financial year ended March 31, 2024 | (194%) | 3 |
| Financial year ended March 31, 2023 | (141%) | 2 |
| Financial year ended March 31, 2022 | (153%) | 1 |
| Weighted Average | (170%) | |
| Nine months ended December 31, 2024** | (535%) | - |
| Nine months ended December 31, 2023** | (92%) | - |

**Not annualised.

Notes:

- RoNW is calculated as Loss for the period / year divided by the net worth at the end of the respective year.
- Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;
- Weighted average return on net worth = Product of return on net worth and the respective assigned weight, dividing the resultant by the total aggregate weight.

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

| NAV per Equity Share | NAV Per Share* (₹) |
|-----------------------------------|--------------------|
| As on December 31, 2024** | 4 |
| After the completion of the Offer | |
| - At the Floor Price | [●] [#] |
| - At the Cap Price | [●] [#] |
| Offer Price | [●] [§] |

**Not annualised.

*The Board of Directors of our Company in its meeting held on June 18, 2024 and shareholders of our Company in the extraordinary general meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹1 each and for the equity shares of ₹37 each respectively and also approved the sub-division of 3,530 equity shares of ₹37 each into 130,610 equity shares of ₹1 each. The number of shares used for the calculation of NAV have been adjusted to give the impact of Bonus Issuance and Share Sub-division.

[#] To be computed after finalization of price band.

[§]To be updated at the Prospectus stage

Notes:

- Net Asset Value per Equity Share (in ₹, which is a Non-GAAP measure) is computed as Net Worth at the end of the period / year divided by weighted average number of Equity Shares outstanding during the period / year.
- Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

III. Key Performance Indicators (“KPIs”)

The table below sets forth the details of the KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. These KPIs have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals segments in comparison to our peers. The Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational key financial and operational metrics, to make an assessment of our Company’s performance in various business verticals and make an informed decision.

The KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated April 22, 2025 and certified by the Chief Financial Officer on behalf of the management of our Company by way of certificate dated April 22, 2025. Further, the members of our Audit Committee have verified the details of all KPIs pertaining to the Company and confirmed that the KPIs pertaining to our Company that have been disclosed to investors at any point of time during the three years prior to the date of filing of this Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by Manian & Rao, Chartered Accountants, pursuant to certificate dated April 22, 2025, which has been included as part of the “**Material Contracts and Documents for Inspections**” on page 561. For details of other business and operating metrics disclosed elsewhere in this Red Herring Prospectus, see “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 257 and 436, respectively.

In addition to the above, the Audit Committee also noted that other than the below mentioned KPIs, there are certain items/ metrics which have not been disclosed in this Red Herring Prospectus as the same are either sensitive to the business and operations, not critical or relevant for analysis of our financial and operational performance or such items do not convey any meaningful information to determine performance of our Company.

Our Company confirms that it shall continue to disclose all the KPIs as required under the SEBI ICDR Regulations on a periodic basis, at least once a year, for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the proceeds from the Offer, whichever is later, or for such other duration as required under the SEBI ICDR Regulations.

Details of our KPIs for the Fiscals 2024, 2023 and 2022 and nine months ended December 31, 2024 and December 31, 2023 is set out below:

| Particulars | Units | As at and for the Nine Months Ended December 31, | | As at and for the Financial Year ended March 31, | | |
|--|---------------------|--|-----------------|--|-----------------|-----------------|
| | | 2024 | 2023 | 2024 | 2023 | 2022 |
| Vehicles Sold [#] | Number in thousands | 108 [^] | 74 [^] | 110 [^] | 92 [^] | 23 [^] |
| Year-on-year / period-on-period growth of Vehicles Sold ^{(1) #} | (%) | 45% | N.A. | 19% | 294% | 373% |
| Revenue from Operations [#] | INR in Million | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| Year-on-year / period-on-period growth in Revenue from Operations ^{(2) #} | (%) | 28% | N.A. | (2%) | 336% | 412% |
| Adjusted Gross Margin ^{(3) #} | (%) | 19% | 9% | 9% | 11% | 7% |
| EBITDA ^{(4) #} | INR in Million | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |
| EBITDA Margin ^{(5) #} | (%) | (23%) | (34%) | (36%) | (38%) | (62%) |
| Revenue Mix [#] | | | | | | |
| - Sale of Vehicles ^{(6) #} | (%) | 88% | 90% | 90% | 80% | 91% |
| - Sale of Non-Vehicle ^{(7) #} | (%) | 12% | 10% | 10% | 20% | 9% |
| Revenue per unit of Two Wheeler Vehicle Sold ^{(8) #} | In INR | 129,001 | 148,180 | 143,333 | 155,571 | 158,192 |
| Profit / (Loss) for the year / period [#] | INR in Million | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Profit / (Loss) for the year / period Margin ^{(9) #} | (%) | (36%) | (62%) | (59%) | (48%) | (83%) |
| Working Capital Days ^{(10) #} | Days | (48) | (21) | (46) | (21) | (33) |
| E2W Market Share [*] | (%) | 10.7% | 11.3% | 11.5% | 10.6% | 7.9% |

[#]As certified by Manian & Rao, Chartered Accountants, by their certificate dated April 22, 2025.

^{*}Source: CRISIL Report.

[^]Figures disclosed have been rounded off. Actual figures are 107,983 (for the nine months ended December 31, 2024), 74,333 (for the nine months ended December 31, 2023), 109,577 (for Fiscal Year 2024), 92,093 (for Fiscal Year 2023) and 23,402 (for Fiscal Year 2022).

Notes:

- (1) Year-on-year / period-on-period growth of Vehicles Sold (%) is calculated as ((Number of vehicles sold during the relevant Fiscal Year/period – Number of vehicles sold during the relevant previous Fiscal Year/period) / Number of vehicles sold during the relevant previous Fiscal Year/period) *100
- (2) Year-on-year / period-on-period growth in Revenue from Operations (%) is calculated as ((Revenue from operations during the relevant Fiscal Year/period – revenue from operations during the relevant previous Fiscal Year/period) / revenue from operations during the relevant previous Fiscal Year/period) *100
- (3) Adjusted Gross Margin (%) is calculated as adjusted gross margin (₹) divided by total income in the relevant Fiscal Year/period*100. Where in Adjusted Gross Margin (₹) is calculated as total income reduced by Cost of materials consumed, Purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress.
- (4) EBITDA is calculated as Profit / (Loss) before exceptional items and tax reduced by finance costs and depreciation and amortisation expenses.
- (5) EBITDA Margin (%) is calculated as EBITDA divided by Total Income in the relevant Fiscal Year/ period*100.
- (6) Revenue Mix – Sale of Vehicles (%) is calculated as Revenue from sale of vehicles divided by revenue from operations *100.
- (7) Revenue Mix –Sale of Non-Vehicle (%) is calculated as revenues from operations reduced by revenue from sale of vehicles divided by Revenue from Operations *100.
- (8) Revenue per unit of Two-wheeler Vehicle Sold is calculated as Revenue from sale of two wheeler vehicles during the Fiscal Year/period divided by the number of two wheeler vehicles sold during the relevant Fiscal Year/period.
- (9) Profit / (Loss) for the year/period margin (%) is calculated as Profit / (Loss) for the Fiscal Year/period divided by Total income in the relevant year/ period*100.
- (10) Working Capital Days is computed as Trade Receivables days plus inventory days minus trade payable days; Wherein, Trade Receivable Days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Financial Years or 275 days for the nine months ended December 31 (as applicable), Inventory Days is calculated as average inventory divided by cost of goods sold multiplied by 365 for Financial Years or 275 days for the nine months ended December 31 (as applicable) and Trade Payable Days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for Financial Years or 275 days for the nine months ended December 31. Further Cost of Goods Sold is the sum of Cost of materials consumed, Purchase of stock-in-trade and Change in inventories of finished goods, stock-in-trade and work-in-progress.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for 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, or until the utilization of Offer Proceeds, whichever is later, on the Stock Exchanges pursuant to the Offer, or for such other period as may be required under the SEBI ICDR Regulations.

A list of our KPIs along with a brief explanation of the relevance of the KPIs to our business operations are set forth below. All such KPIs have been defined consistently and precisely in “**Definitions and Abbreviations – Key Performance Indicators**” on page 14.

| KPIs | Explanation for the KPI |
|---|---|
| Vehicles sold (Numbers in thousands) | Vehicles sold refers to the volume of new vehicles sold for the period. We believe it indicates the overall effectiveness of our R&D, product quality, manufacturing, marketing and after sales capabilities, having a direct impact on our revenue from vehicle sales as well as indirectly impacting our non-vehicle revenue. |
| Vehicles sold growth (Year-on-year/period-on-period) | Vehicles sold growth indicates the Company’s year-on-year/period-on-period growth of quantity of vehicles sold. |
| Revenue from Operations (INR in Million) | Revenue from operations is used by our management to track the revenue profile of the business and help assess the overall financial performance of our Company and also represents the scale of our business. |
| Revenue growth (Year-on-year/period-on-period) | Revenue growth indicates the Company’s year-on-year/period-on-period growth of revenue generated from our operations. |
| Adjusted Gross Margin (%) | We believe that tracking Adjusted Gross Margin enables us to track the profitability year-on-year/period-on-period and provides inputs for key decisions around pricing, cost optimisation projects and overall margin profile. |
| EBITDA (INR) in Million and EBITDA Margin (%) | EBITDA and EBITDA margin track operational efficiency and hence profitability of the business. They assist in tracking the operational margin profile of our business benchmarked against our historical performance and against our peers. |
| Revenue mix (%) | Revenue mix shows the diversification of revenue streams across vehicle and non-vehicle, highlighting the Company’s ability to generate income not only from vehicle sales, but also from higher margin accessories, software and after sales / services business. |
| Revenue per unit of Two Wheeler Vehicle sold (In INR) | Revenue per unit of Two Wheeler Vehicle sold measures the average revenue generated per two wheeler sold, provides insight and helps track our sales strategy, ability to price at a premium and product mix. |
| Profit / (Loss) for the year/period (INR in Million) and Profit / (Loss) for the year/period Margin (%) | Profit / (Loss) for the year/period and Profit / (Loss) for the year/period Margin (%) track overall profitability of the business. They assist in tracking the overall margin profile of our business benchmarked against our historical performance and against our peers. |

| KPIs | Explanation for the KPI |
|----------------------|---|
| Working Capital Days | Working Capital Days describes how many days it takes for the company to convert its working capital into revenue |
| E2W Market Share (%) | E2W Market Share (%) enables companies to monitor their competitive standing within the E2W market vis-a-vis our peers. |

Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

IV. Comparison of KPIs with listed industry peers

Set forth below is a comparison of our accounting ratios with our peer group companies listed in India:

| Name of Company | Face Value (₹ Per Share) | Closing price as on March 28, 2025 (₹)& | Revenue from operation for Fiscal 2024 (in ₹ million) | EPS (₹) | | NAV (₹ per share) ⁽²⁾ | P/E ⁽³⁾ | RoNW (%) ⁽⁴⁾ |
|-------------------------------|-----------------------------|---|--|----------------------|------------------------|--|--------------------|----------------------------|
| | | | | Basic ⁽¹⁾ | Diluted ⁽¹⁾ | | | |
| Our Company ^ | 1 | NA | 17,538 | (47)* | (47)* | 24* | NA [#] | (194%) |
| Peer Group + | | | | | | | | |
| Hero MotoCorp Limited | 2 | 3,723 | 377,886 | 187 | 187 | 884 | 20 | 21% |
| Bajaj Auto Limited | 10 | 7,879 | 448,704 | 273 | 273 | 935 | 29 | 29% |
| Ola Electric Mobility Limited | 10 | 53 | 50,098 | (4) | (4) | 6 | NA | (78%) |
| TVS Motors Limited | 1 | 2,420 | 391,447 | 36 | 36 | 143 | 68 | 26% |
| Eicher Motors Limited | 1 | 5,348 | 165,358 | 146 | 146 | 657 | 37 | 22% |

^Financial information of the Company has been derived from the Restated Financial Information as at or for the financial year ended March 31, 2024.

&Source: <https://www.nseindia.com/>

+Source: All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual reports / annual results/ restated financial information as available of the respective company for the year ended March 31, 2024.

* The Board of Directors in its meeting held on June 18, 2024 and Shareholders of the Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 1,30,610 equity shares of ₹ 1 each. The conversion ratio of the CCPS into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly. The number of shares used for the calculation of earnings per share, and net asset value per share have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

#To be included in respect of our Company in the Prospectus based on the Offer Price.

(1) Basic EPS is calculated as loss for the year attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the year. Diluted EPS is calculated as loss for the year attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the year adjusted for the effects of all dilutive potential Equity Shares. Basic/Diluted EPS of Peer group refers to the Basic/Diluted EPS sourced from the financial statements of the respective peer group companies for the Fiscal March 31, 2024.

(2) Net Asset Value per Equity Share (in ₹) is computed as Net Worth at the end of the year divided by weighted average number of Equity Shares outstanding during the year.

(3) P/E ratio for the peer group has been computed based on the closing market price of equity shares on NSE as on March 28, 2025 divided by the Diluted EPS for the Fiscal March 31, 2024.

(4) Net-worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Set forth below is a comparison of our KPIs with our peer group companies listed in India:

Key Financial KPIs for last three Fiscals and nine months ended December 31, 2024 and December 31, 2023 (for Listed Players only)

| Consolidated | | Ather | | | | | Ola** | | | | | Bajaj** | | | | |
|---|--|---------------------------|-------------------|---------|---------|---------|---------------------------|-------------------|-------------|-------------|-----------------|---------------------------|-------------------|------------|------------|------------|
| KPIs | | For the nine months ended | | Fiscal | | | For the nine months ended | | Fiscal | | | For the nine months ended | | Fiscal | | |
| | | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 |
| Vehicles sold (numbers in thousands) | | 108^ | 74^ | 110^ | 92^ | 23^ | 308 | 214 | 330 | 156 | 21 | 3,548 | 3,282 | 4,351 | 3,923 | 4,308 |
| Out of which 2W | | 108^ | 74^ | 110^ | 92^ | 23^ | 308 | 214 | 330 | 156 | 21 | 3,039 | 2,811 | 3,728 | 3,438 | 3,837 |
| Vehicles sold growth (Year-on-year / period-on-period) ⁽¹⁾ | | 45% | N.A. | 19% | 294% | 373% | 43.74% | NA [#] | 111.54% | 642.86% | NA [#] | 8.09% | 6.98% | 10.91% | (8.95%) | 8.45% |
| Out of which 2W ⁽¹⁾ | | 45% | N.A. | 19% | 294% | 373% | 43.74% | NA [#] | 111.54% | 642.86% | NA [#] | 8.10% | 3.45% | 8.43% | (10.40%) | 6.41% |
| Revenue from Operation (INR in Million) | | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 | 39,030.00 | 34,120 | 50,098.31 | 26,309.27 | 3,734.23 | 383,482.30 | 333,154.80 | 448,704.30 | 364,553.80 | 331,447.10 |
| Revenue growth (Year-on-year / period-on-period) (%) ⁽²⁾ | | 28% | N.A. | (2%) | 336% | 412% | 14.39% | NA [#] | 90.42% | 604.54% | 43,090.26% | 15.11% | 21.03% | 23.08% | 9.99% | 19.48% |
| Adjusted Gross Margin (%) ⁽³⁾ | | 19% | 9% | 9% | 11% | 7% | 24.33% | 15.43% | 16.47% | 7.63% | (5.40%) | 32.14% | 30.87% | 31.13% | 30.61% | 29.33% |
| EBITDA (INR in Million) (₹ million) ⁽⁴⁾ | | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) | (7,430.00) | (7,950.00) | (10,341.41) | (11,006.78) | (7,175.52) | 82,766.80 | 77,369.80 | 104,651.70 | 81,673.40 | 71,135.90 |
| EBITDA margin (%) ⁽⁵⁾ | | (23%) | (34%) | (36%) | (38%) | (62%) | (17.67%) | (22.26%) | (19.72%) | (39.55%) | (157.27%) | 20.99% | 22.50% | 22.60% | 21.70% | 20.66% |
| Revenue mix | | | | | | | | | | | | | | | | |

| KPIs | Ather | | | | | | Ola** | | | | | Bajaj** | | | | | | |
|---|---------------------------|-------------------|----------|---------|---------|-------------------|---------------------------|-------------|-------------|------------|-------------------|-------------------|---------------------------|-----------------|-----------------|--------|--|--|
| | For the nine months ended | | | Fiscal | | | For the nine months ended | | | Fiscal | | | For the nine months ended | | | Fiscal | | |
| | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 | | | |
| Sale of Vehicles (%) ⁽⁶⁾ | 88% | 90% | 90% | 80% | 91% | NA [#] | NA [#] | 91.89% | 87.55% | 85.07% | NA [#] | NA [#] | NA [#] | NA [#] | NA [#] | | | |
| Sale of Non-vehicle (%) ⁽⁷⁾ | 12% | 10% | 10% | 20% | 9% | NA [#] | NA [#] | 8.11% | 12.45% | 14.93% | NA [#] | NA [#] | NA [#] | NA [#] | NA [#] | | | |
| Revenue per unit of two wheeler (₹) ⁽⁸⁾ | 129,001 | 148,180 | 143,333 | 155,571 | 158,192 | NA [#] | NA [#] | 139,503.42 | 147,654.55 | 151,273.33 | NA [#] | NA [#] | NA [#] | NA [#] | NA [#] | | | |
| Profit/(Loss) for the year/ <i>period</i> (INR in Million) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) | (14,060.00) | (11,680.00) | (15,844.00) | (14,720.79) | (7,841.50) | 55,228.80 | 56,968.10 | 77,082.40 | 60,602.10 | 61,658.70 | | | |
| Profit/(Loss) for the year/ <i>period</i> Margin (%) ⁽⁹⁾ | (36%) | (62%) | (59%) | (48%) | (83%) | (33.44%) | (32.70%) | (30.22%) | (52.90%) | (171.86%) | 14.01% | 16.56% | 16.65% | 16.10% | 17.91% | | | |
| Working capital days ⁽¹⁰⁾ | (48) | (21) | (46) | (21) | (33) | NA [#] | NA [#] | (22.99) | (6.02) | (19.88) | NA [#] | NA [#] | (21.43) | (18.28) | (17.81) | | | |
| E2W market share ⁽¹¹⁾ | 10.7% | 11.3% | 11.5% | 10.6% | 7.9% | 34.08% | 33.00% | 35.09% | 20.98% | 5.70% | 18.11% | 10.36% | 11.40% | 3.92% | 2.81% | | | |

| Consolidated KPIs | | Ather | | | | | Hero** | | | | | TVS** | | | | |
|------------------------------|---------|---------------------------|--------------|------|--------|------|--------------------------|--------------|-------|--------|----------|--------------------------|--------------|--------|--------|-------|
| | | For the nine months ended | | | Fiscal | | For the six months ended | | | Fiscal | | For the six months ended | | | Fiscal | |
| | | Dec 31, 2024 | Dec 31, 2023 | 2024 | 2023 | 2022 | Dec 31, 2024 | Dec 31, 2023 | 2024 | 2023 | 2022 | Dec 31, 2024 | Dec 31, 2023 | 2024 | 2023 | 2022 |
| | | | | | | | | | | | | | | | | |
| Vehicles (numbers thousands) | sold in | 108^ | 74^ | 110^ | 92^ | 23^ | 4,519 | 4,229 | 5,621 | 5,329 | 4,944 | 3,527 | 3,128 | 4,191 | 3,682 | 3,310 |
| Out of which 2W | | 108^ | 74^ | 110^ | 92^ | 23^ | 4,519 | 4,229 | 5,621 | 5,329 | 4,944 | 3,429 | 3,012 | 4,045 | 3,513 | 3,138 |
| Vehicles sold growth | | 45% | N.A | 19% | 294% | 373% | 6.86% | 4.21% | 5.48% | 7.79% | (14.76%) | 12.75% | 11.19% | 13.82% | 11.24% | 8.42% |

| Consolidated KPIs | Ather | | | | | Hero** | | | | | TVS** | | | | |
|---|---------------------------|--------------|----------|---------|---------|--------------------------|-----------------|------------|------------|------------|--------------------------|-----------------|-----------------|-----------------|-----------------|
| | For the nine months ended | | Fiscal | | | For the six months ended | | Fiscal | | | For the six months ended | | Fiscal | | |
| | Dec 31, 2024 | Dec 31, 2023 | 2024 | 2023 | 2022 | Dec 31, 2024 | Dec 31, 2023 | 2024 | 2023 | 2022 | Dec 31, 2024 | Dec 31, 2023 | 2024 | 2023 | 2022 |
| (Year-on-year / period-on-period) ⁽¹⁾ | | | | | | | | | | | | | | | |
| Out of which 2W ⁽¹⁾ | 45% | N.A | 19% | 294% | 373% | 6.86% | 4.21% | 5.48% | 7.79% | (14.76%) | 13.84% | 12.64% | 15.14% | 11.95% | 7.14% |
| Revenue from Operation (INR in Million) | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 | 309,536.10 | 281,719.40 | 377,886.20 | 341,583.80 | 295,512.80 | 328,431.70 | 291,022.70 | 391,447.40 | 319,739.90 | 243,553.10 |
| Revenue growth (Year-on-year / period-on-period) (%) ⁽²⁾ | 28% | N.A | (2%) | 336% | 412% | 9.87% | 9.52% | 10.63% | 15.59% | (4.55%) | 12.85% | 21.55% | 22.43% | 31.28% | 25.41% |
| Adjusted Gross Margin (%) ⁽³⁾ | 19% | 9% | 9% | 11% | 7% | 35.48% | 33.51% | 33.99% | 31.05% | 30.51% | 39.78% | 37.58% | 37.82% | 35.09% | 33.34% |
| EBITDA (INR in Million) (₹ million) ⁽⁴⁾ | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) | 50,428.20 | 45,875.90 | 60,839.20 | 46,658.90 | 38,007.30 | 48,523.60 | 41,737.00 | 56,057.60 | 41,646.50 | 27,899.90 |
| EBITDA margin (%) ⁽⁵⁾ | (23%) | (34%) | (36%) | (38%) | (62%) | 15.90% | 15.90% | 15.74% | 13.44% | 12.62% | 14.71% | 14.27% | 14.28% | 12.97% | 11.44% |
| Revenue mix | | | | | | | | | | | | | | | |
| Sale of Vehicles (%) ⁽⁶⁾ | 88% | 90% | 90% | 80% | 91% | NA [#] | NA [#] | 82.90% | 83.14% | 83.06% | NA [#] | NA [#] | 75.35% | 75.79% | 75.70% |
| Sale of Non-vehicle (%) ⁽⁷⁾ | 12% | 10% | 10% | 20% | 9% | NA [#] | NA [#] | 17.10% | 16.86% | 16.94% | NA [#] | NA [#] | 24.65% | 24.21% | 24.30% |
| Revenue per unit of two wheeler (₹) ⁽⁸⁾ | 129,001 | 148,180 | 143,333 | 155,571 | 158,192 | NA [#] | NA [#] | 55,730.90 | 53,294.01 | 49,644.28 | NA [#] | NA [#] | NA [#] | NA [#] | NA [#] |
| Profit/(Loss) for the year/ period (INR in Million) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) | 32,070.60 | 27,987.00 | 37,421.60 | 27,999.00 | 23,290.50 | 16,823.00 | 13,670.10 | 17,785.40 | 13,094.60 | 7,308.80 |
| Profit/(Loss) for the year/ period Margin (%) ⁽⁹⁾ | (36%) | (62%) | (59%) | (48%) | (83%) | 10.11% | 9.70% | 9.68% | 8.06% | 7.74% | 5.10% | 4.67% | 4.53% | 4.08% | 3.00% |
| Working capital days ⁽¹⁰⁾ | (48) | (21) | (46) | (21) | (33) | NA [#] | NA [#] | (23.32) | (18.71) | (27.98) | NA [#] | NA [#] | (42.25) | (40.29) | (49.97) |

| KPIs | Consolidated | | Ather | | | Hero** | | | | | TVS** | | | | |
|----------------------------------|---------------------------|--------------|-------|--------|------|--------------------------|--------------|--------|-------|-------|--------------------------|--------------|--------|--------|-------|
| | For the nine months ended | | 2024 | Fiscal | | For the six months ended | | Fiscal | | 2022 | For the six months ended | | Fiscal | | 2022 |
| | Dec 31, 2024 | Dec 31, 2023 | | 2023 | 2022 | Dec 31, 2024 | Dec 31, 2023 | 2024 | 2023 | | Dec 31, 2024 | Dec 31, 2023 | 2024 | 2023 | |
| E2W market share ⁽¹¹⁾ | 10.7% | 11.3% | 11.5% | 10.6% | 7.9% | 4.31% | 1.62% | 1.85% | 0.13% | 0.00% | 19.44% | 19.64% | 19.33% | 11.28% | 3.85% |

| KPIs | Consolidated | Ather | | | | Eicher** | | | | |
|---|--------------------------|----------------------|----------|----------|----------|---------------------------|----------------------|-----------------|-----------------|-----------------|
| | For the six months ended | | | Fiscal | | For the nine months ended | | | Fiscal | |
| | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 |
| Vehicles sold (numbers in thousands) | 108^ | 74^ | 110^ | 92^ | 23^ | 722* | 684* | 912* | 824* | 595* |
| Out of which 2W | 108^ | 74^ | 110^ | 92^ | 23^ | 722* | 684* | 912 | 824 | 595 |
| Vehicles sold growth (Year-on-year/ period-on-period) (1) | 45% | N.A. | 19% | 294% | 373% | 5.56% | 12.26% | 10.67% | 38.39% | (2.29%) |
| Out of which 2W ⁽¹⁾ | 45% | N.A. | 19% | 294% | 373% | 5.56% | 12.26% | 10.67% | 38.39% | (2.29%) |
| Revenue from Operation (INR in Million) | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 | 136,292.40 | 122,797.40 | 165,357.80 | 144,421.80 | 102,978.30 |
| Revenue growth (Year-on-year/ period-on-period) (%) (2) | 28% | N.A | (2%) | 336% | 412% | 10.99% | 15.43% | 14.50% | 40.24% | 18.09% |
| Adjusted Gross Margin (%) ⁽³⁾ | 19% | 9% | 9% | 11% | 7% | 49.36% | 48.62% | 49.01% | 45.39% | 44.54% |
| EBITDA (INR) in Million) (₹ million) ⁽⁴⁾ | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) | 48,306.70 | 42,849.00 | 58,505.00 | 43,538.60 | 26,732.20 |
| EBITDA margin (%) ⁽⁵⁾ | (23%) | (34%) | (36%) | (38%) | (62%) | 33.19% | 32.83% | 33.22% | 28.95% | 24.89% |
| Revenue mix | | | | | | | | | | |
| Sale of Vehicles (%) ⁽⁶⁾ | 88% | 90% | 90% | 80% | 91% | NA [#] | NA [#] | 84.83% | 85.29% | 84.58% |
| Sale of Non-vehicle (%) ⁽⁷⁾ | 12% | 10% | 10% | 20% | 9% | NA [#] | NA [#] | 15.17% | 14.71% | 15.42% |
| Revenue per unit of two wheeler (₹) ⁽⁸⁾ | 129,001 | 148,180 | 1,43,333 | 1,55,571 | 1,58,192 | NA [#] | NA [#] | 153,810.46 | 149,467.64 | 146,267.34 |
| Profit/(Loss) for the year/ period (INR in Million) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) | 33,722.90 | 29,305.60 | 40,010.10 | 29,139.40 | 16,766.00 |
| Profit/(Loss) for the year/ period Margin (%) ⁽⁹⁾ | (36%) | (62%) | (59%) | (48%) | (83%) | 23.17% | 22.46% | 22.72% | 19.38% | 15.61% |
| Working capital days ⁽¹⁰⁾ | (48) | (21) | (46) | (21) | (33) | NA [#] | NA [#] | (16.44) | (17.92) | (32.20) |
| E2W market share ⁽¹¹⁾ | 10.7% | 11.3% | 11.5% | 10.6% | 7.9% | NA [#] | NA [#] | NA [#] | NA [#] | NA [#] |

* Eicher vehicles sold excludes commercial vehicles sold via VE Commercial Vehicles (VECV) JV, which is not consolidated (Source: CRISIL)

***All the financial information for the competitor entities mentioned above is on a consolidated basis and is sourced from the annual reports/quarterly financials/Investor presentation as available for nine months ended December 31, 2024 and December 31, 2023 and Fiscal Year 2024, 2023 and 2022 (as applicable) submitted to Stock Exchanges. Ola Electric financials is sourced from Red Herring Prospectus and Draft Red Herring Prospectus filings submitted to SEBI. for Fiscal 2024, 2023 and 2022 and unaudited consolidated financial result for the nine months ended December 31, 2024 and December 31, 2023 submitted to Stock Exchanges. (Source: CRISIL)*

#NA stands for Not available as the data is not reported in the Annual reports/quarterly financials/Investor presentation as available

^Figures disclosed have been rounded off. Actual figures are 107,983 (for the nine months ended December 31, 2024), 74,333 (for the nine months ended December 31, 2023), 109,577 (for Fiscal Year 2024), 92,093 (for Fiscal Year 2023) and 23,402 (for Fiscal Year 2022).

Notes:

- (1) Year-on-year / period-on-period growth of Vehicles Sold (%) is calculated as $((\text{Number of vehicles sold during the relevant fiscal year / period} - \text{Number of vehicles sold during the relevant previous fiscal year / period}) / \text{Number of vehicles sold during the relevant previous fiscal year / period}) * 100$
- (2) Year-on-year / period-on-period growth in Revenue from Operations (%) is calculated as $((\text{Revenue from operations during the relevant fiscal year / period} - \text{revenue from operations during the relevant previous fiscal year / period}) / \text{revenue from operations during the relevant previous fiscal year / period}) * 100$
- (3) Adjusted Gross Margin (%) is calculated as adjusted gross margin (₹) divided by total income in the relevant Fiscal Year / period *100. Where in Adjusted Gross Margin (₹) is calculated as total income reduced by Cost of materials consumed, Purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress.
- (4) EBITDA is calculated as Profit / (Loss) before exceptional items and tax reduced by finance costs and depreciation and amortisation expenses.
- (5) EBITDA Margin (%) is calculated as EBITDA divided by total income in the relevant Fiscal Year / period *100.
- (6) Revenue Mix – Sale of Vehicles (%) is calculated as Revenue from sale of vehicles divided by revenue from operations *100.
- (7) Revenue Mix –Sale of Non-Vehicle (%) is calculated as revenues from operations reduced by revenue from sale of vehicles divided by revenue from operations *100.
- (8) Revenue per unit of Two-wheeler Vehicle Sold is calculated as Revenue from sale of two wheeler vehicles during the fiscal year /period divided by the number of two wheeler vehicles sold during the relevant fiscal year /period.
- (9) Profit / (Loss) for the year/ period margin (%) is calculated as Profit / (Loss) for the Fiscal Year/period divided by Total income in the relevant year / period *100.
- (10) Working Capital Days is computed as Trade Receivables days plus inventory days minus trade payable days; Wherein, Trade Receivable Days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Financial Years or / 275 days for the nine months period ended December 31, Inventory Days is calculated as average inventory divided by cost of goods sold multiplied by 365 for Financial Years or/ 275 days for the nine months ended December 31 and Trade Payable Days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for Financial Years or/ 275 days for the nine months ended December 31 . Further Cost of Goods Sold is the sum of Cost of materials consumed, Purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress (11) Source: CRISIL Report

V. Weighted average cost of acquisition, Floor Price and Cap Price

1. Price per share of our Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under Employee Stock Option Scheme and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Primary Issuances”)

| Date of Allotment | Name of allottees | Number of Equity Shares or convertible securities allotted | Transaction as a % of fully diluted capital of the Company (calculated based on the pre-issue capital before such transaction(s)) | Price per Equity Share or convertible securities (₹) | Total Cost (₹) | Weighted average cost of acquisition based on primary issue of Equity Shares or convertible securities (₹) ^{^#} |
|--|---|--|---|--|----------------|--|
| July 9, 2024 | Tarun Sanjay Mehta and Swapnil Babanlal Jain | 74,148 | 7.48% | 11,674 | 865,603,752 | 44.73 |
| September 4, 2024 | India-Japan Fund (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited) | 16,528,925 | 11.47% | 363 | 5,999,999,775 | 267.08 |
| Weighted Average Cost of Acquisition (WACA) (Primary Transactions) (₹ per Equity Share) | | | | | | 164.18 |

^{*}As certified by Manian & Rao, Chartered Accountants, by their certificate dated April 22, 2025.

[^]The Board of Directors in its meeting held on June 18, 2024 and Shareholders of the Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 1,30,610 equity shares of ₹ 1 each. The conversion ratio of the CCPS into Equity Shares and the employee stock options have been adjusted accordingly.

[#]Excluding allotment of equity shares on conversion of CCPS pursuant to board resolutions dated February 25, 2025 and March 8, 2025.

^{**}Includes impact on account of conversion of CCPS allotted during the last 18 months from the date of this Red Herring Prospectus, into Equity Shares.

2. Price per share of our Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) involving the Promoters, members of the Promoter Group, any of the Selling Shareholders or other Shareholders of our Company with rights to nominate directors on our Board during the 18 months preceding the date of filing of this Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s, and excluding ESOPs granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days (“Secondary Transactions”)

Nil^{*}

^{*}As certified by Manian & Rao, Chartered Accountants, by their certificate dated April 22, 2025.

3. If there are no such transactions to report under 1 and 2 above, the following are the details of the price per share of our Company basis the last five primary or secondary transactions (secondary transactions where our Promoters, members of the Promoter Group, Selling Shareholders or other Shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction), not older than three years prior to the date of this Red Herring Prospectus irrespective of the size of transactions

Nil*

*As certified by Manian & Rao, Chartered Accountants, by their certificate dated April 22, 2025.

4. The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition based on Primary/ Secondary transactions mentioned under 1, 2 or 3 above, are disclosed below:

| Past transactions | Weighted average cost of acquisition per Equity Share (₹)*^# | Floor Price** (₹) | Cap Price** (₹) |
|--|--|-------------------|-----------------|
| Weighted average cost of acquisition of Primary Issuances | 164.18 | [●] times | [●] times |
| Weighted average cost of acquisition of Secondary Transactions | NA | [●] times | [●] times |

*As certified by Manian & Rao, Chartered Accountants, by their certificate dated April 22, 2025.

^The Board of Directors in its meeting held on June 18, 2024 and Shareholders of our Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 1,30,610 equity shares of ₹ 1 each. The conversion ratio of the CCPS into Equity Shares and the employee stock options have been adjusted accordingly.

#Excluding allotment of equity shares on conversion of CCPS pursuant to board resolutions dated February 25, 2025 and March 8, 2025.

**To be updated at the Prospectus stage.

5. The Offer Price is [●] times of the face value of the Equity Shares

The Offer Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company, in consultation with the BRLMs, are justified of the Offer Price in view of the above qualitative and quantitative parameters.

6. Detailed explanation for Offer Price/ Cap Price being [●] times of WACA of primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for, Fiscal 2024, 2023, 2022 and. for the nine months ended December 31, 2024 and December 31, 2023

[●]*

*To be included on finalisation of Price Band.

7. Explanation for the Offer Price/Cap Price, being [●] times of WACA of primary issuances/secondary transactions of Equity Shares (as disclosed above) in view of the external factors which may have influenced the pricing of the Offer.

[●]*

*To be included on finalisation of Price Band.

Investors should read the above-mentioned information along with “**Risk Factors**”, “**Our Business**”, “**Management Discussion and Analysis of Financial Condition and Revenue from Operations**” and “**Restated Financial Information**” beginning on pages 43, 259, 436 and 359, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the section “**Risk Factors**” beginning on page 43 and any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
Ather Energy Limited (formerly known as “Ather Energy Private Limited”)
3rd Floor, Tower D, IBC Knowledge Park,
#4/1, Bannerghatta Main Road,
Bangalore 560029
Karnataka, India

Dear Sirs,

Sub: Statement of possible special tax benefits (“Statement”) available to Ather Energy Limited (formerly known as “Ather Energy Private Limited”) (“the Company”) and its shareholders under direct and indirect tax laws.

We refer to the proposed initial public offering of the equity shares (the “Offer”) of the Company. We enclose herewith the statement (the “Annexure”) showing the possible special tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2023 (as extended) including the rules, regulations, circulars and notifications issued thereunder (the “Tax laws”), relevant to the financial year 2025-26 for inclusion in the red herring prospectus (“RHP”) and Prospectus (collectively, the “Offer Documents”) for the Offer, 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 the Tax laws. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the near future and accordingly, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of 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 offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. 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 whether:

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

We hereby give our consent to include this report and the enclosed Annexure regarding the special tax benefits available to the Company and to its shareholders in the Offer Documents in relation to the Offer, which the Company intends to file with the Securities and Exchange Board of India and the stock exchange(s) and the Registrar of Companies, Karnataka at Bangalore provided that the below statement of limitation is included in the Offer Documents.

LIMITATIONS

Our views expressed in the enclosed Annexure 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 existing provisions of 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 and third parties who may or may not invest in the Offer relying on the statement.

This statement has been prepared solely in connection with the Offer, as required under the ICDR Regulations.

Yours faithfully,

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration Number: 008072S)

Gurvinder Singh
Partner
(Membership No. 110128)

Place: Bangalore
Dated: April 2, 2025
UDIN: 25110128BMHYSW2484

ANNEXURE

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO ATHER ENERGY LIMITED (FORMERLY KNOWN AS “ATHER ENERGY PRIVATE LIMITED”) (“THE COMPANY”) AND ITS SHAREHOLDERS

The information provided below sets out the possible special direct tax benefits available to the Company and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Tax Laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional 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 Offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF COMPANY.

I. Special direct tax benefits available to the Company

The statement outlined below is based on the provisions of the Income-tax Act, 1961 ('the Act') as amended by Finance Act, 2025.

a) Lower corporate tax rate under section 115BAA of the Act

The section 115BAA provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess¹).

In case the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:

- Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone).
- Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation).
- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund).
- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research).
- Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project).
- Deduction under section 35CCD (Expenditure on skill development).
- Deduction under any provisions of Chapter VI-A other than the deductions under section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-corporate dividends).
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred to in clause.

¹ Surcharge at 10% on the tax liability and further, enhanced by an education cess at 4% of the total tax liability and surcharge.

The provisions of section 115JB regarding Minimum Alternate Tax (“MAT”) are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT.

The Company has not opted for the concessional rate of tax in the latest furnished return of income for the previous year ended 31st March 2024 relevant to assessment year 2024-25. However, the Company may opt for the concessional rate of tax in subsequent years subject to furnishing of Form 10IC and satisfying the other conditions discussed above.

b) Deduction from Gross Total Income

- Deduction under section 80G:

The Company is entitled to claim deduction in respect of any donations made to approved funds, charitable institutions, etc. subject to satisfaction of conditions therein.

However, the deduction under section 80G of the Act is not applicable if the Company opts for concessional tax rate under section 115BAA of the Act.

- Deduction under section 80JJAA:

The Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act, subject to the fulfilment of prescribed conditions therein.

The deduction under section 80JJAA is available even if the Company opts for concessional tax rate under section 115BAA of the Act.

II. Special direct tax benefits available to shareholders

- a) Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions.
- b) Further, in case of shareholders who are individuals, Hindu Undivided Family, association of persons, body of individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.
- c) As per section 112A of the Act, long-term capital gains arising from transfer of an equity share shall be taxed at 12.5% plus applicable surcharge and cess (without benefit of indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act as well as per Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed Rs. 1,25,000. Further, in respect of non-resident shareholder foreign exchange rate fluctuation as per first proviso to section 48 of the Act shall not be available if capital gains are taxable under section 112 or 112A of the Act.
- d) As per section 111A of the Act, short term capital gains arising from transfer of an equity share shall be taxed at 20% plus applicable surcharge and cess subject to fulfilment of prescribed conditions under the Act.
- e) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the relevant country subject to entitlement.

Except the above and apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for the shareholders.

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

The Statement of possible tax benefits enumerated below is per the Central Goods and Services Tax Act, 2017 (“**CGST Act**”), the Integrated Goods and Services Tax Act, 2017 (“**IGST Act**”), the Union Territory Goods and Services Tax Act, 2017 (“**UTGST Act**”), respective State Goods and Services Tax Act, 2017 (“**SGST Act**”) (All these legislations collectively referred to as “**GST Legislation**”), the Customs Act, 1962, the Customs Tariff Act, 1975 (“**Customs Tariff Act**”) and Foreign Trade Policy (collectively referred to as “**Indirect Tax**”) as amended from time to time and as applicable for financial year 2025-26.

I. Special Indirect tax benefits available to the Company

a. Import of capital goods without payment of customs duty under Export Promotion Capital Goods Scheme (“EPCG Scheme”)

The objective of the EPCG Scheme is to facilitate import of capital goods for producing quality goods and services and enhance India's manufacturing competitiveness. EPCG Scheme allows import of capital goods for pre-production, production and post-production at zero customs duty (i.e. exemption from basic customs duty, additional customs duty along with Integrated Goods and Services Tax (“**IGST**”) and compensation cess). EPCG Scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers.

As per provisions contained under Chapter 5 of Foreign Trade Policy 2023 (“**FTP**”) and Handbook of Procedures 2023 read with Notification No. 26/2023 – Customs dated 01 April 2023, the imports under EPCG Scheme are subject to an Export Obligation (“**EO**”) equivalent to six times of duties, taxes and cess saved on capital goods which is required to be fulfilled within six years reckoned from date of issue of license. Further, the license is valid for undertaking import of goods for 24 months from the date of issue of license.

The Company has obtained EPCG authorization (license) from Directorate General of Foreign trade (“**DGFT**”) towards availing the benefit of duty-free import of capital goods falling under HSN code 90248099, 84122100 and 85158090.

b. Concession/exemption on customs duty on import of certain products under Notification 50/2017

The Customs Act, 1962, provides power to the Central Government to exempt duty of customs leviable on goods and from so much of integrated tax leviable thereon under sub-section (7) of section 3 of said Customs Tariff Act, read with section 5 of the IGST Act as is in excess of the amount calculated at the rate specified in the corresponding entry in column (4) towards customs leviable under the first schedule and in column (5) towards Integrated tax leviable thereon under sub-section (7) of section 3 of said Customs Tariff Act described under in the Notification 50/2017 – Customs dated 30 June 2017 read with Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017 and Notification No. 11/2021-Customs as amended from time to time.

The Company has availed benefit of concessional rate of basic custom duty at 5% on assessable value and NIL rate of Agriculture Infrastructure and Development Cess towards import of goods viz. Lithium-ion cells falling under HSN code 85076000.

In addition, the Company has also availed benefit of concessional rate of basic custom duty at 2.5% on assessable value and NIL rate of Agriculture Infrastructure and Development Cess towards import of goods viz. Steel can cell falling under HSN code 85079090.

As per the tariff, the actual rate of basic customs duty (“**BCD**”) applicable on Lithium-ion cells (HSN code 85076000) is 20% and on Steel can cell (HSN code 85079090) is 10% and the Company has availed benefit of reduced rate of customs duty by 15% on Lithium-ion cells and of 7.5% on Steel can cell accordingly.

c. Exemption of Customs duty on exports of goods as part of Comprehensive Economic Partnership Agreement between The Republic of Korea and The Republic of India

The Customs Act, 1962 provides power to the Central Government to grant concessional duty or exempt duty of customs leviable on imported goods to the extent it finds feasible if the said goods are imported

into India from the Republic of Korea as part of Comprehensive Economic Partnership Agreement between Republic of Korea and the Republic of India as per Notification No. 152/2009 – Customs read with Notification No. 11/2021-Customs as amended from time to time. In order to avail the said tariff concession, the importer is required to prove to the satisfaction of the Customs authorities that the goods in respect of which the benefit of concession/exemption is being claimed are of the origin from Republic of Korea.

The Company has availed benefit of NIL Basic Customs Duty along with NIL rate of Agriculture Infrastructure and Development Cess against import of goods falling under the Customs Tariff Head 85076000 made from Korea.

d. Concession in custom duty over & above 5% of the tariff rate for all Research and Development related ("R&D") imports under customs

The Customs Act, 1962, provides power to the Central Government to exempt duty of customs as in excess of the amount calculated at the rate of five percent advalorem and from the whole of the additional duty leviable thereon under section 3 of the said Customs Tariff Act, under in the Notification 51/1996 – Customs dated 30 June 2017 as amended from time to time. The said notification provides the concessional duty benefits when the goods are imported for research purposes and the importer is registered with the Government of India with Department of Scientific and Industrial Research ("DSIR").

The Company has availed benefit of discharging concessional rate of basic custom duty at 5% on assessable value and NIL rate of Agriculture Infrastructure and Development Cess against import of goods falling under various HSN codes viz. 87149100(cell holder), 85076000(Lithium-ion rechargeable cell) etc.

e. Refund of input tax credit paid on Inverted duty structure supply of goods

Under the GST Legislation, a registered person may claim refund of any unutilised input tax credit at the end of any tax period where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies), except supplies of goods or services or both as may be notified by the Government on the recommendations of the GST Council.

The Company has availed the benefit of claiming refund under the inverted duty structure.

f. Export supply of goods without payment of integrated tax

Under the GST Legislation, a registered person can make export supply of goods or services without payment of integrated tax under bond or letter of undertaking ("LUT"). The Company is involved in export of goods, spare parts to a place outside India.

The Company has availed the benefit of export of goods without payment of Integrated tax under LUT. Further, the Company is eligible for claiming refund of accumulated ITC on account of export of goods without payment of tax as per the provisions of section 54 of CGST Act, 2017.

g. SGST reimbursement under Tamil Nadu Electric Vehicle Policy 2019:

The Company has entered into MOU with the Government of Tamil Nadu to avail incentives under the Structured Package of Assistance ("EV Special Manufacturing Package" and "Special EV Package for Battery Manufacturing") under the Tamil Nadu Electric Vehicle Policy 2019. The benefits under the Structured Package are available subject to fulfilment of conditions, failing which the Company will have to refund the benefits availed along with applicable interest. The following indirect benefits are available to the Company under the Structured Package:

- 100% SGST reimbursement subject to ceiling limit of INR 140 crore for the sales effected till 31 December 2030 on sale of electric vehicles manufactured, sold and registered for use in the State of Tamil Nadu.

h. SGST reimbursement under Maharashtra Electric Vehicle Policy 2018:

The Company has received an offer letter from the Government of Maharashtra to avail incentives under the Maharashtra Electric Vehicle Policy 2018. The benefits under the Structured Package are available subject to fulfilment of conditions, failing which the Company will have to refund the benefits availed along with applicable interest. The following indirect benefits are available to the Company under the Structured Package:

- 100% SGST reimbursement for period of 15 years on sale of electric vehicles manufactured, sold and registered for use in in the State of Maharashtra.

i. Remission of Duties and Taxes on Exported Products (RoDTEP):

The objective of this scheme is to refund, currently unrefunded Duties/ taxes / levies, at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect Duties/ taxes / levies in respect of distribution of exported product.

The rebate shall not be available in respect of duties and taxes already exempted or remitted or credited.

Under the scheme a rebate would be granted to eligible exporters at a notified rate as a percentage of Free On Board (FOB) value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digit HS Code.

The Company has availed the benefit of RoDTEP at 0.8% on FOB value towards availing the benefit goods falling under HSN code 87116020.

j. Duty Drawback on exported products:

The duty drawback scheme has been notified for a large number of export products by the Government after an assessment of the average incidence of Customs, Central Excise duties, and Transaction Costs suffered by the export products. The duty drawback scheme aims to provide the refund/ recoupment of custom and excise duties paid on inputs or raw materials and indirect taxes on the input services used in manufacturing export goods.

The Company has availed the duty drawback on at 2% on the FOB value the exported products falling under HSN code 87116020.

II. Special Indirect tax benefits available to shareholders

There are no special tax benefit available to the current shareholders of the Company under the Tax Laws

NOTES:

1. We have not considered general tax benefits available to the Company or shareholders of the Company. The above Statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
2. The above Statement of possible special tax benefits sets out the provisions of Indian tax laws 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.
3. This Statement is only intended to provide general information to 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, 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 proposed offer.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from

time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement does not discuss any tax consequences in the hands of the Company on account of holding shares, securities, interest, outside India.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Only to the extent explicitly indicated, industry and market data used in this section has been derived from the report titled ‘Assessment of Electric Two-wheeler Industry in India’ dated March, 2025, prepared and issued by CRISIL (the “**CRISIL Report**”), commissioned by and paid for by our Company. The CRISIL Report has been prepared and issued by CRISIL for the purpose of understanding the industry exclusively in connection with the Offer. Further, CRISIL, vide their consent letter dated March 11, 2025 (“**Letter**”) has accorded their no objection and consent to use the CRISIL Report and has also confirmed that they are an independent agency, and confirmed that it is not related to our Company, our Directors, our Promoter, our Key Managerial Personnel, our Senior Management or the BRLMs. The CRISIL Report is available on the website of our Company at <https://www.atherenergy.com/investor-relations/offer-documents>. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular fiscal or calendar year, refers to such information for the relevant fiscal or calendar year. For further details, see “**Risk Factors – Internal Risks – We have used information from the CRISIL Report which we commissioned and paid for exclusively in relation to the Offer and any reliance on information therein is subject to inherent risks**” on page 92.

Overview of the Indian Economy

India to be the fastest growing large economy

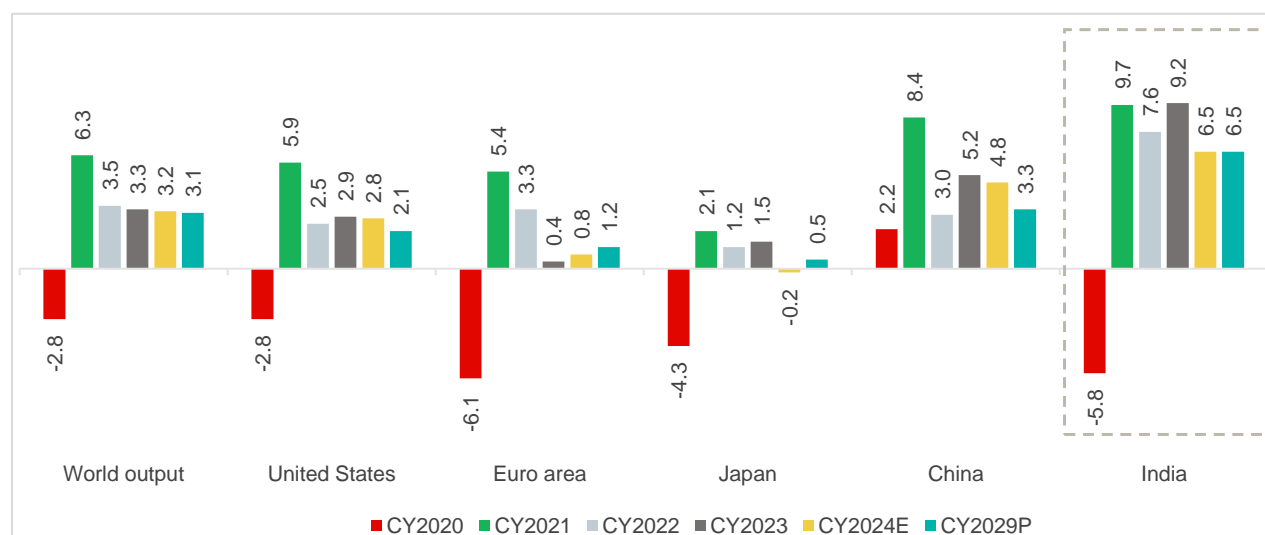
India’s GDP has expanded at 9.2% in fiscal 2024 that was higher than 7.6% in fiscal 2023, according to second advance estimates of GDP growth released by the National Statistical Office (NSO) in February 2025 end

According to the National statistics Offices (NSO) second advance estimates (SAE) based on the data for three quarters for the fiscal 2025, India’s real gross domestic product (GDP) growth is at 6.5%, significantly slower than the 9.2% in fiscal 2024. Weak investments amid reduced government capital expenditure (capex) are the primary reason for the deceleration. However, private consumption is expected to rise significantly compared to fiscal 2024’s weak performance.

Crisil Intelligence expects GDP growth to moderate to 6.5% in fiscal 2025 owing to slowing demand, particularly in United States and China, will weigh on global growth. Geopolitical tensions, remain a risk for trade flows and supply chain pressures for industry and along with the impact of high interest rates. As per Crisil Intelligence, the fiscal 2025 has started on a good note with merchandise exports registering growth in the first quarter of fiscal 2025.

India ranks as the world’s 5th largest economy and is the fastest growing among major economies. The Indian economy logged 4.8% CAGR between fiscals 2019 and 2024.

GDP growth (% y-o-y) of key economies



Note: On Calendar Year (CY) basis

** Euro area comprises 19 member countries of the EU*

Source: International Monetary Fund (IMF); World Economic Outlook (WEO) – January 2025 update, Crisil Intelligence

Drivers for India's Economic Growth

- Strong domestic demand is expected to drive India's growth over peers in the medium term.
- Medium-term growth is anticipated to be bolstered by increased capital spending on infrastructure and asset development projects, leading to enhanced growth multipliers.
- The government's future capital expenditures are expected to be supported by factors such as tax buoyancy, simplified tax structures with lower rates, tariff structure reassessment, and tax filing digitization.
- Investment prospects are optimistic, given the government's capex push, progress of Production-Linked Incentive (PLI) scheme, healthier corporate balance sheets, and a well-capitalised banking sector with low non-performing assets (NPAs).

Key factors in budget 2025-26 that can influence medium to long term growth:

- Stronger consumption support: Tax relief measures and enhanced allocations for welfare programs like PMAY, PMGSY and MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) to boost demand and economic activity.
- Sustained Infrastructure Investment: Increased funding for roads, highways, railways, and urban development, driving long-term growth and job creation.
- Government-Led Capital Expenditure: Continued high Capex allocation supporting various industries.
- Employment & Skilling Initiatives: Allocations for new employee generation schemes, vocational training, and opening of 'centres of excellence' will enhance workforce productivity and helps in skilling the youth of the country.
- Push for Innovation & Industrial Growth: Increased R&D funding, incentives for EVs and electronics manufacturing, and export promotion to strengthen India's global competitiveness.

India's Demographic Advantage and its impact on 2Ws

India's population surpass China's by a slight margin, making it the most populous country with 1.44 billion people as per UNFPA's State of World Population Report 2024. According to the report, 24% of India's total population is between 0-14 years, 68% is between the ages of 15 and 64 years, which is considered the working population of a country, and 7% above 65 years. Apart from this, about 17% of the population is between 10-19 years of age, and 26% are between 10-24 years (Generation Z).

India's median age is about 28 years, and it has largest working population among major global economies. It is expected to add ~70 million to the workforce (15-64 age group) by 2030. This benefit allows greater engagement in productive labor, thus bolstering national income. India's youthful demographic not only strengthens the country's competitive edge in the services and manufacturing sectors but also unlocks the spending potential of a young population towards discretionary expenses.

The working/young population has significantly impacted India's growth in past few years majorly in the IT, manufacturing, and service sectors. This is in line with past progress of economies like Japan and China where the young population has fueled economic development. India's young population is embracing new technologies and ideas which is expected to further boost the industries like technology, manufacturing, healthcare, and infrastructure.

The demographic dividend fosters workforce expansion, driving accelerated urbanization and industrialization. This, in turn, will spur investment in both physical and human infrastructure, ultimately enhancing the country's economic productivity.

Rise of the Middle Class

As per Crisil estimates, India's GDP is expected to grow 6.7% between FY25 - FY31 to make it the third largest economy with a GDP inching closer to USD 7 trillion and lift per capita income to the upper middle-income category. By fiscal 2031, India's per capita income will rise to ~USD 4,500, thereby making it an upper middle-income nation. (As defined by World Bank, lower middle-income countries are those with per capita income of USD 1,000 to USD 4,000 and upper middle-income countries are those with per capita income of above USD 4,000 to ~USD 12,000).

Estimates from PRICE's ICE 360° Pan-India primary surveys indicate that the population of the Destitute and Aspirer groups is projected to decline from approximately 928 million in 2020-21 to 647 million by 2030-31 and further to 209 million by 2046-47. In contrast, the Rich segment is expected to increase significantly from 56 million to an estimated 169 million and 437 million. Meanwhile, the Middle Class is anticipated to expand substantially to nearly 1.02 billion by 2046-47, up from 715 million in 2030-31 and 432 million in 2020-21.

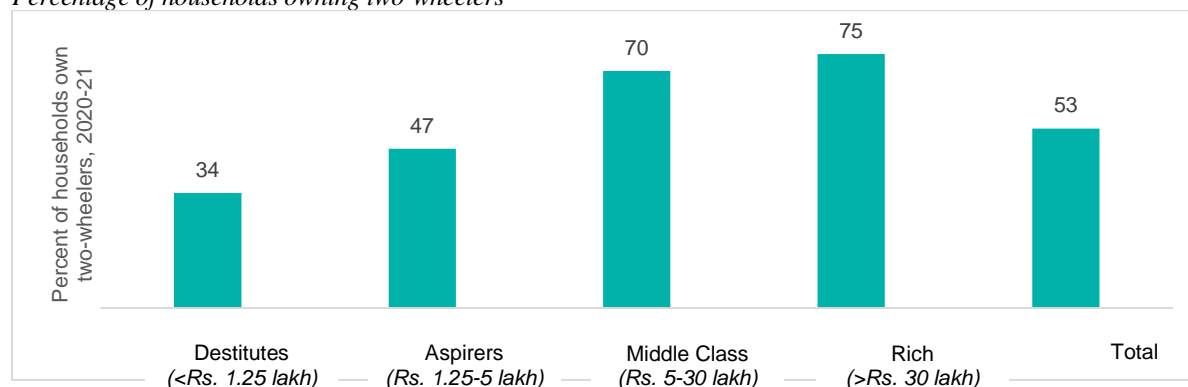
India's Income Pyramid



Note: *: Annual household income at 2020-21 prices

Source: ICE 360 survey PRICE, Crisil Intelligence

Percentage of households owning two-wheelers



Source: ICE 360 survey PRICE, Crisil Intelligence

According to the International Monetary Fund's October 2024 estimates, India's per capita income (at current prices) is expected to grow at 9.2% CAGR over CY2024 to 2029. At the macroeconomic level, the rise in per capita income implies that as incomes increase, the proportion of expenditure allocated to discretionary items such as consumer durables and automobiles will increase. This will lead to a qualitative enhancement in consumption patterns, characterized by a growing demand for discretionary goods.

Further improvement in the per capita income will expand the 2W penetration going ahead.

Rising 2W penetration in India

Two-wheelers stand as a vital and easily accessible mode of transportation across both urban and rural areas of India. Among them, motorcycles hold the highest popularity, trailed by scooters and mopeds. While the presence of mopeds in the two-wheeler inventory is declining, the prevalence of scooters is experiencing a notable surge. Across India, the primary use of two-wheelers among owners is for commuting to their workplaces. Additionally, business-related activities constitute the second-largest segment in the two-wheeler market, with delivery services for food, goods, as

well as mail and courier services, extensively relying on two-wheelers. Some of the key drivers supporting the growth of the two-wheeler industry are the rise in per capita income, improving infrastructure, urbanization, and worsening traffic congestion etc. Indian two-wheeler penetration per 1000 people had been around 106-108 in FY19 which rose up to around 116-118 in FY24.

According to PRICE, two-wheelers are considered as a choice of transportation for Aspirer and Middle-Class households. Among Destitute households, 63% own a bicycle, but nearly 34% possess a two-wheeler, such as a moped, motorcycle, or scooter. This ownership rises to 47% for Aspirer households and 70% for Middle-Class households. Even among Rich households, 75% own a two-wheeler, typically a luxury two-wheeler, compared to the 100% that own a car.

Robust 2W Replacement Demand - Shift from 2W to 4W Takes Time

The Indian domestic passenger vehicle industry has witnessed a healthy 5% CAGR growth in the last five years backed by improvement in macroeconomic scenario, portfolio expansion by players, ironing out of vehicle supply concerns coupled with rising traction for UVs. However, rising PV industry did not have any sizeable impact on the two-wheeler industry sales.

Although there is a typical upgradation done by entry segment customers from two-wheelers to passenger vehicles (especially compact hatchbacks), the sharp rise in passenger vehicle prices in the last 5 years has restricted the shift towards the passenger vehicles segment. The income of this customer segment has also been impacted significantly amidst the pandemic. Moreover, the rise in interest expense & fuel costs, in turn the overall operating expenses, was another factor disincentivizing the upgrade from two-wheelers to passenger vehicles.

Thus, the significant increase in passenger vehicle ownership costs, and pressure on income levels for this customer segment, has limited the replacement of the two-wheeler with an entry level passenger vehicle in the last 5 years. Even going ahead, given the sizeable price difference between the ≤ 110 cc motorcycle and an entry level / compact hatchback, the replacement of the two-wheeler with a car by the entry level customer base, is expected to be limited. Therefore, it is imperative that such customers, when in a position to upgrade their two-wheeler, prefer a ≥ 125 cc two-wheeler as compared to what they own.

On the other hand, for financially stable, affluent customers who already own a ≥ 125 cc motorcycle or scooter, a car is usually an additional vehicle purchase. There is also a scenario of ≥ 125 cc scooter or motorcycle being purchased for usage by non-car driving family members. For such customers, usage scenarios of two-wheelers and the passenger vehicle are different. They do not replace the two-wheeler with a passenger vehicle and prefer to own both simultaneously. Both also undergo their own individual replacement cycles.

Thus, the replacement demand for two-wheelers is expected to remain strong despite the rise in passenger vehicle industry sales.

Need for Electrification in India

Rising Air Pollution in India and Air Quality Impact of 2Ws

Air pollution has become a growing concern in India, especially in the urban centers, and the government has adopted various strategies to mitigate the same. The government is aligning themselves in accordance with the global climate related policies and standards to improve the air quality in the country. As per World Air Quality Report 2023, India ranked as the world's third most polluted country with an average annual PM 2.5 concentration of 54.4 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$). Also, 9 out of the top 10 polluted cities in the world were from India. According to Air Quality Life Index (AQLI), air pollution shortens average Indian life expectancy by 5.9 years. Around 136 million Indians (96% of the Indian population) face PM 2.5 concentrations that are seven times higher than the World Health Organization's recommended levels of 5 ($\mu\text{g}/\text{m}^3$).

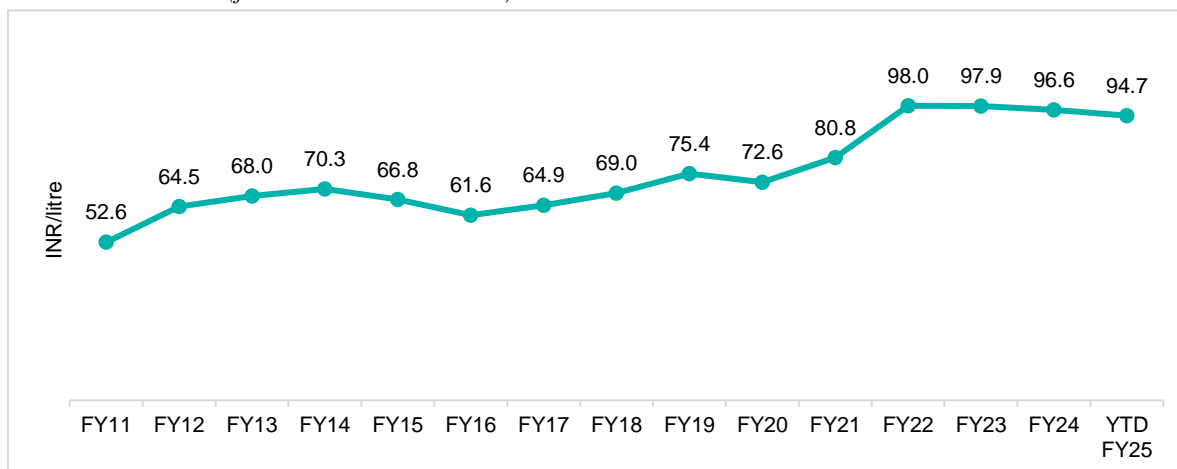
According to the International Energy Agency (IEA), road transport presently accounts for 12% of India's energy-related CO₂ emission and is currently responsible for 20-30% of urban air pollution.

To address this issue, the government has implemented stringent emission regulations for vehicles including two-wheelers, aimed at reducing harmful pollutants and promoting sustainable mobility by moving towards electrification. In India, two-wheelers are a common mode of transportation and contribute significantly to air pollution. Also, two-wheelers continue to dominate India's vehicle fleet.

Rise in Fuel Prices in India

The two-wheeler industry is sensitive to fuel price fluctuations and consumers are cautious about total cost of ownership (TCO). The increase in fuel prices could result in higher fuel related expenses thereby elevating the TCO. Also, an increase or decrease in fuel prices is likely to affect consumer sentiments and may lead to slow down or pickup in purchase decisions.

Petrol Price at Delhi (fiscals 2011 to YTD 2025)



Note: YTD FY25: Apr - Dec 2024

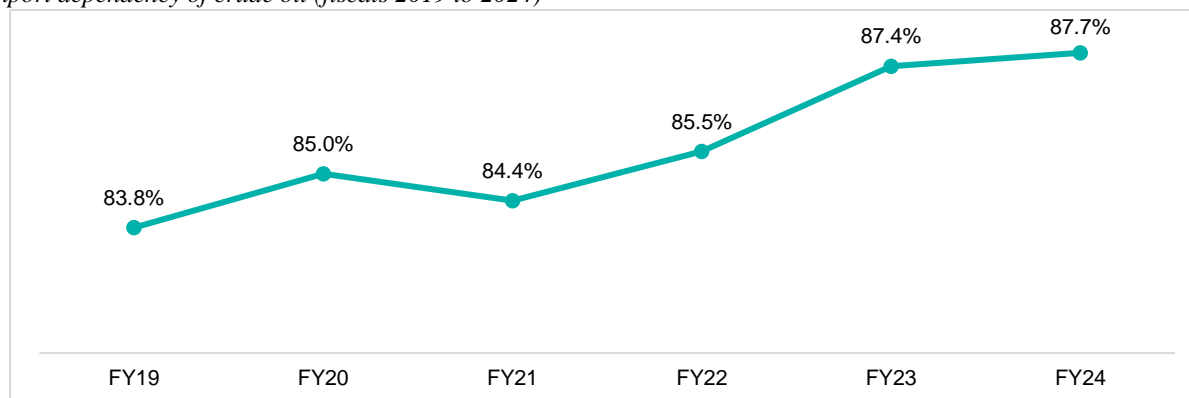
Source: Crisil Intelligence

India's Dependence on Fuel Imports

According to Energy Statistics India 2024, crude oil contributes to more than 30% of India's total primary energy supply and is the second largest after coal, which contributed more than 58% of the primary energy supply in fiscal 2023.

Further, volatile crude oil prices are a threat to the economy as it impacts the price stability of fuels in India driving inflationary pressure. Therefore, crude oil becomes an important parameter to determine reserve position and trade balance.

Import dependency of crude oil (fiscals 2019 to 2024)



Source: PPAC, Crisil Intelligence

India could potentially lower its dependence on imports based on its ability to substitute/replace crude oil with other energy sources that can result in a positive effect in the Indian economy. According to the Ministry of Petroleum & Natural Gas, the government has adopted a five-pronged strategy comprising increasing domestic production of oil and gas, promoting energy efficiency and conservation measures, giving thrust on demand substitution, promoting biofuels and other alternate fuels/ renewables, EV charging facilities and refinery process improvements for reducing the country's oil dependence on imported crude oil.

India's Climate Commitments

The Paris Agreement or Conference of Parties 21 (COP 21) was adopted by India in 2015. It replaced the Kyoto Protocol which was an earlier agreement to deal with climate change. It is a global treaty wherein more than 200 countries agreed to cooperate to reduce greenhouse gas emissions and lead climate conservation. The Agreement aims to limit greenhouse gas emissions so that the rise in global warming by the end of this century does not exceed 1.5°C above pre-industrial levels. Under the COP 21 National Determined Contribution (NDC) targets, India adopted three targets:

- To reduce emissions intensity of its GDP by 30-35% by 2030, from 2005 levels.
- To achieve about 40% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030.
- To create an additional carbon sink of 2.5 to 3 billion tonnes of CO₂ equivalent through additional forest and tree cover by 2030.

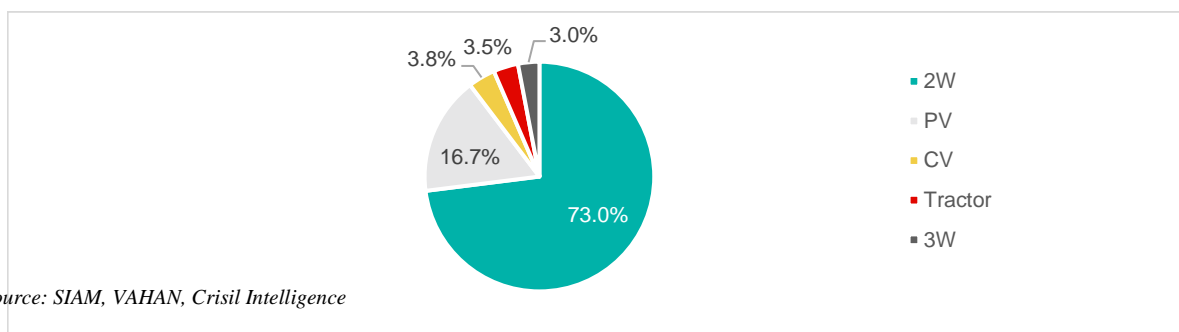
All these global commitments are navigating India towards a sustainable and emission free future. To aid this transition, the adoption of free emission and green technologies needs to be promoted in the transport sector.

Review of the Indian Domestic Two-wheeler Industry

Domestic Two-wheeler Industry Review (fiscals 2019 to YTD 2025)

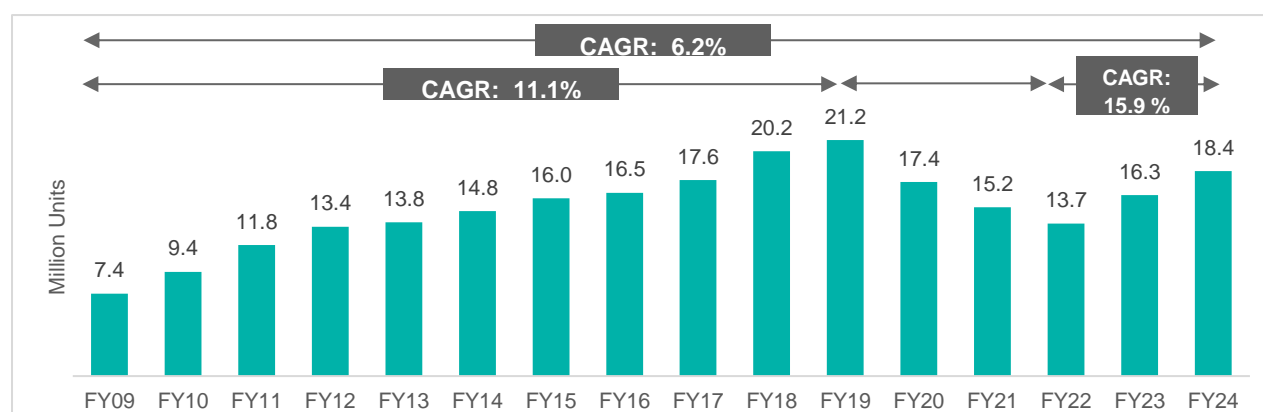
India is the largest motorised two-wheeler market by volume in the world as of CY 2023 (according to Mordor intelligence) and had domestic sales of 18.4 million units in fiscal 2024. Indian automobile segment primarily consists of two-wheelers (2W), passenger vehicles (PV), commercial vehicles (CV), three wheelers (3W) and tractors. In fiscal 2024, Two-wheeler was the largest segment and contributed 73% to the total auto market by volume followed by the passenger vehicle segment which contributed 16.7%. The share of Two-wheeler segment in total auto market reached to ~75% by volume as of Apr – Dec period of fiscal 2025, followed by passenger vehicle segment with ~15% share.

Segment wise split of the Indian Automobile market by volumes (fiscal 2024)



In the last 15 years (fiscal 2009 to fiscal 2024), the domestic two-wheeler industry has grown at a CAGR of 6.2% and reached a volume of 18.4 million in fiscal 2024. Within this period, the industry accelerated at a much faster pace of 11.1% CAGR over the 10-year period from fiscal 2009 to fiscal 2019 and reached a historic high of volumes of 21.2 million in fiscal 2019.

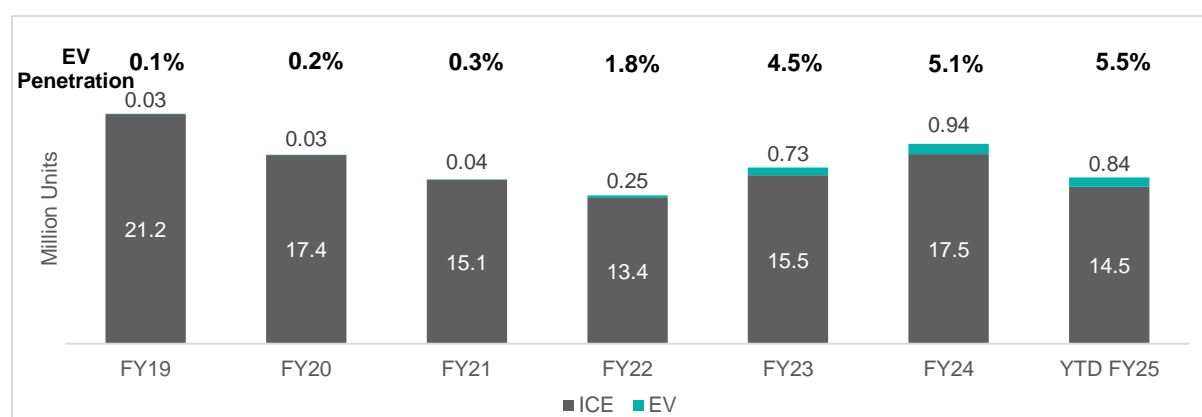
Domestic two-wheeler sales volume trend (fiscals 2009 to 2024)



Note: Figures in bracket to be read as negative (E.g. (10) to be read as minus 10)

Source: SIAM, VAHAN, Crisil Intelligence

Domestic two-wheeler sales volume trend (ICE vs EV)



Note: YTD FY25 – Apr - Dec 2024

Source: SIAM, VAHAN, Crisil Intelligence

| y-o-y growth | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY19-24 CAGR |
|--------------|---------|--------|--------|--------|--------|-------|--------------|
| ICE | 4.9% | -17.8% | -13.2% | -11.1% | 15.5% | 12.7% | -3.7% |
| EV | 1393.6% | -4.1% | 67.0% | 464.1% | 187.9% | 28.5% | 101.7% |

Source: SIAM, VAHAN, Crisil Intelligence

In the last 5 years, the electrification within the industry has helped grow the industry sales. During fiscal 2019 to fiscal 2024 period, ICE segment contracted at 3.7% CAGR and EV retails grew with a 101.7% CAGR, albeit from a lower base.

In Apr – Dec period of fiscal 2025, EV penetration reached around 5.5% and EV volumes reached 0.84 million units.

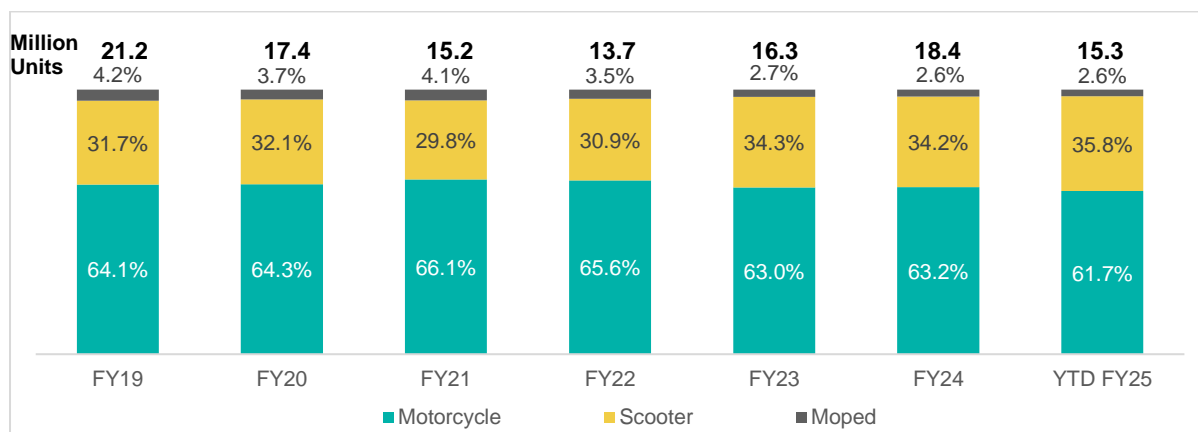
Seasonality of sales

Demand in the automotive industry typically peaks between January and March, reduces from April to July before increasing again during the festive season from September to December. These festive months account for maximum of the festivals like Ganesh Chaturthi, Onam, Dussehra, Diwali and Christmas and are usually the best months from retail perspective. The fiscal year end month of March also sees higher dispatches to comply with the annual targets. Post the higher offtake, the beginning of the new fiscal (April-June) sees relatively lower dispatches after the increased inventory built up done during the previous financial year end coupled with lower retails during the rainy season.

Segment wise domestic sales trend

Motorcycles dominate the domestic two-wheeler industry sales with more than 60% contribution to the annual domestic sales volumes. However, their contribution has gradually contracted over the years, from 78% in fiscal 2009 to 63% by fiscal 2024. On the other hand, the scooters segment expanded its presence over the long-term horizon; from 15% in fiscal 2009 to 34% in fiscal 2024. The share of scooters expanded from 34% in fiscal 2024 to 36% in Apr-Dec of fiscal 2025. While the share of motorcycles dropped to 62% in Apr-Dec of fiscal 2025 from 63% in fiscal 2024. The share of mopeds remained steady at 2.6% in Apr-Dec of fiscal 2025.

Domestic two-wheeler sales segmental trend (fiscals 2019 to YTD 2025)



Note: Data includes ICE and EVs; EV retail data from VAHAN has been considered.

YTD FY25: Apr - Dec 2024

Source: SIAM, VAHAN, Crisil Intelligence

Scooters

In the last 5 years, scooters witnessed gradual expansion and their share increased from 31.7% in fiscal 2019 to 34.2% in fiscal 2024. The strong demand for new model launches (like the Dio 125, Avenis, upgrades of Activa, Jupiter as well as e-scooters), increasing usage of scooters by working professionals, especially women in urban areas (due to high convenience) and a growing preference as a second vehicle in households restricted the fall in demand for scooters. There has also been a rise in multiple vehicle ownership within a family including a passenger vehicle coupled with multiple two-wheelers.

Within ICE scooters, over 97% of the market by volumes has fallen under the >90cc and <=125cc subsegment, consistently since fiscal 2019, with over 99% of the volumes in fiscal 2024 and Apr-Dec of fiscal 2025. The <=90cc subsegment which had a 2% volume share in fiscal 2019 has degrown at a CAGR of 48% and had only a 0.1% volume share in fiscal 2024. There was no share of <=90cc subsegment (TVS Pep+ model) in Apr-Dec of fiscal 2025 as it has been discontinued. Based on Crisil Intelligence's estimates and market understanding, there has also been a lot of shifting within the >90cc and <=125cc subsegment in terms of customers purchasing higher cc scooters.

The 110cc scooters held almost ~78% share in fiscal 2019. However, their volumes have seen a sharp decline in recent times. The share of 125cc scooters within the ICE scooter segment rose from ~20% in fiscal 2019 to ~47% by fiscal 2024.

The overall scooters segment can also be categorized into performance and convenience scooters basis the market positioning by OEMs. Convenience scooters cater to customers seeking comfort, fuel efficiency and family friendliness. On the other hand, performance scooters cater to customers who focus on higher power and superior performance.

Convenience ICE scooters primarily have 110cc and 125cc engines, and these scooters account for ~81% of the 2W ICE scooter market by volume. Within scooters, e-scooters witnessed growth at an accelerated pace and contributed a sizeable share of 14.7% to overall scooter sales in fiscal 2024. Launch of new models, government incentives, rising awareness, increased acquisition and operating costs for the ICE equivalents provided a boost to the EV sales during the

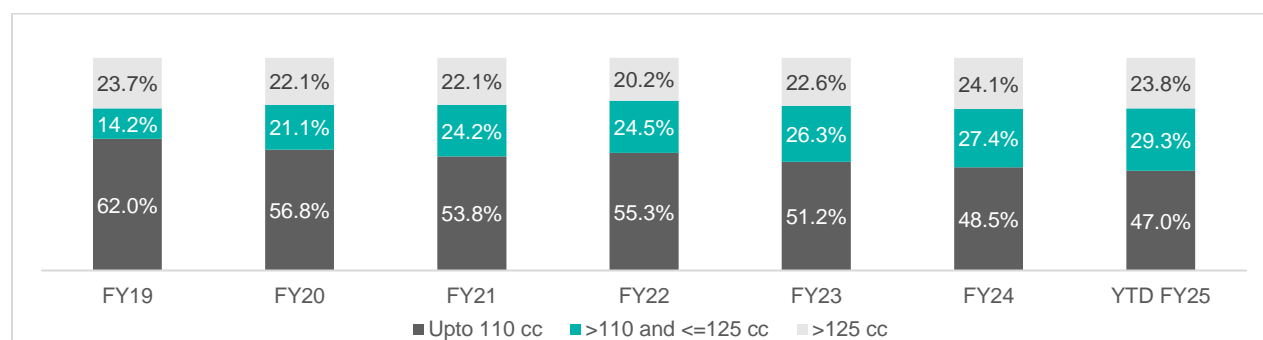
fiscal 2019-2024 period. E-scooters clocked growth at 101% CAGR in the last 5 years and their penetration within the scooters segment rose from 0.4% in fiscal 2019 to 14.7% in fiscal 2024.

Motorcycles

In the overall domestic sales, motorcycles have maintained their leading position in the last 5 years, however, they lost some ground to scooters during the period. During the pandemic period of fiscal 2021 and fiscal 2022, amidst the lack of availability of public transportation, requirement of motorcycles continued especially for daily commute, thereby restricting their drop.

Unlike scooters, the EV penetration within motorcycles has remained inconsequential amidst lack of EV options. A few OEMs like Revolt offered EV motorcycles from fiscal 2020. Manufacturers like Tork and Ultraviolette also introduced their e bikes/ motorcycles in the following 2/3 years. With OEMs like Ola and Royal Enfield announcing EV launches in the motorcycle segment, the segment is expected to grow gradually.

ICE motorcycles domestic sales split (fiscals 2019 to YTD 2025)



Note: YTD FY25: Apr – Dec 2024

Source: SIAM, Crisil Intelligence

Within the ICE motorcycles segment, the 125cc subsegment has witnessed 11% CAGR growth during fiscal 2019-2024 period while the <=110cc subsegment has contracted at a rapid pace of 8% CAGR. The >125cc subsegment has also contracted by 3% CAGR during this period. However, within the ICE motorcycles segment, the 125cc and above (>110 and <=125cc and > 125cc) subsegments together hold 51.5% of the market share by volume in fiscal 2024 as against 38.0% in fiscal 2019, thereby indicating a shift towards higher cc motorcycles. During Apr – Dec of fiscal 2025 the share increased to 53.0%.

Demand drivers and trends in the domestic two-wheeler market

The performance of the Indian 2W industry is dependent on numerous social and economic factors, including demographic trends and preferences, income levels, affordability of 2W vehicle customers, changes in government policies, overall economic conditions as well as availability of finance and interest rates. Certain factors, such as general macroeconomic and consumer trends, have a direct impact on demand for 2W vehicles.

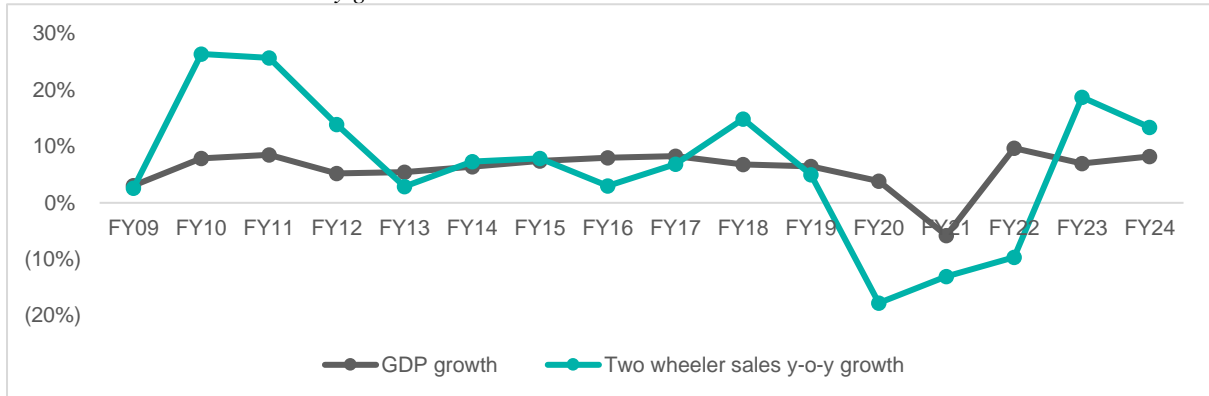
Macroeconomic support

The primary demand drivers for the two-wheeler industry are improving affordability and lower cost of acquisition and ownership. Macroeconomic factors primarily determine the disposable income and affordability for customers.

During the fiscal 2009-2019 decade, India's GDP grew at a healthy pace of 7% CAGR aiding the affordability of the customer base. This improvement in income levels translated into a healthy growth for the domestic two-wheeler industry at 11% CAGR. After this healthy growth, slowdown in the GDP growth during fiscal 2020 and the pandemic induced economic contraction in fiscal 2021 impacted the healthy run of the domestic two-wheeler industry.

Going ahead, CRISIL expects India's GDP to clock a healthy growth at 6.5-7.5% CAGR (till fiscal 2031) aiding the growth of domestic two-wheeler industry sales over the long-term horizon.

GDP vs two-wheeler industry growth trend



Source: MoSPI, SIAM, VAHAN, Crisil Intelligence

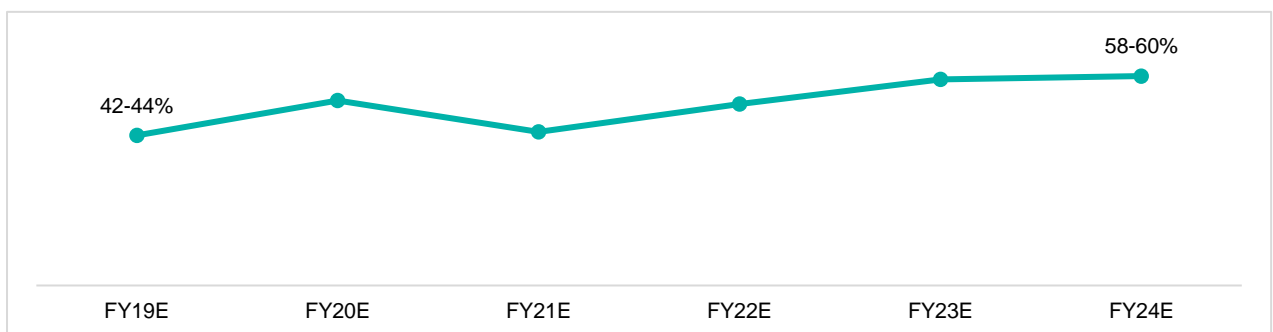
Financing support

Finance support plays an important role in the overall demand growth of the two-wheeler industry given the relatively lower income profile of customers as well as smaller ticket size of the industry.

Over the years, amidst the intensifying competition, financial institutions have expanded their reach to gain further market share within the auto finance industry. Moreover, the entry of NBFCs which focus primarily on non-metros, expanded the reach of the financing system further as banks primarily catered to the urban and salaried customers.

This expansion aided the growth of overall finance penetration in the industry and in turn supported the growth of the domestic two-wheeler industry. Going forward, Crisil Intelligence expects the finance penetration to improve further and support the growth of two-wheeler industry.

Two-wheeler finance penetration trend



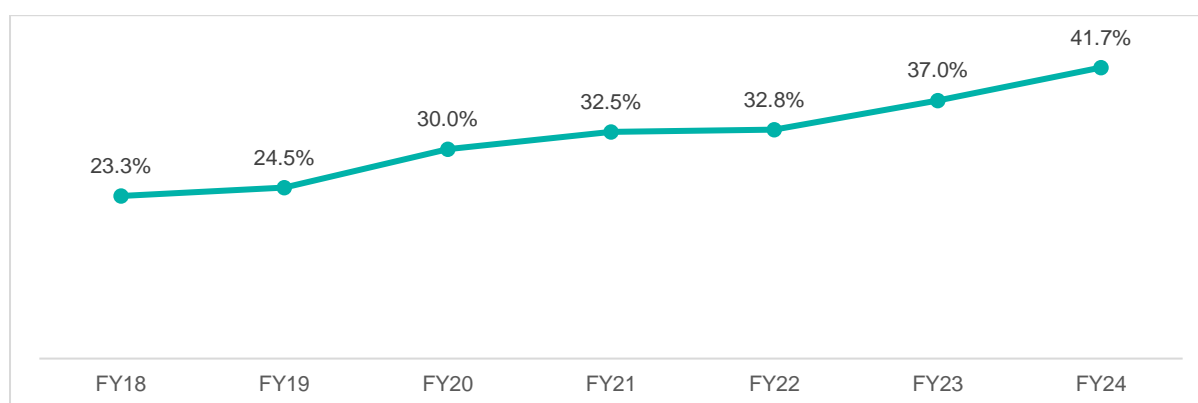
Source: Crisil Intelligence

Women participation in the workforce

Increasing women participation in the Indian workforce has provided an additional boost to the two-wheeler, especially scooter sales. Given the added comfort in terms of ease of seating, lower vehicle weight, easy maneuverability and baggage space, scooters are amongst the preferred vehicle choices for working women.

The female participation in the work force has also aided the overall household incomes, boosting the two-wheeler sales as well.

Female labour force participation rate trend



Source: Crisil Intelligence

Going forward, Crisil Intelligence expects the women to increasingly become a part on the workforce and support the long-term growth of the two-wheeler industry.

Premiumization in the 2W Industry

There is a clear shift towards premium vehicles being witnessed within the two-wheeler industry. Customers are looking to upgrade to the next premium vehicle segment within motorcycles as well as scooters. Younger buyer profiles, new vehicles with attractive features launched at competitive rates and increasing financing support have supported this premiumization trend within the two-wheeler industry. In the last 5 years, as per Crisil Intelligence's estimates, the share of ≥ 125 cc motorcycles increased from ~38% in fiscal 2019 to ~52% in fiscal 2024 and reached ~53% in Apr - Dec of fiscal 2025. While for scooters, the share of ≥ 125 cc scooters is estimated to have risen from ~20% in fiscal 2019 to ~47% in fiscal 2024 and to ~48% in Apr - Dec of fiscal 2025. A relatively price agnostic customer base, feature rich vehicles and young buyers that prefer high performance and advanced features have led to a premiumization trend in scooters.

A similar premiumization trend is being witnessed in other industries as well. Within the consumer durable industry, there is clear customer shift towards the premium larger panel TVs. According to CRISIL Research, the share of large size panel TV (>55 inch) has increased from 20-25% in fiscal 2019 to an estimated 35-40% in fiscal 2024. Even in washing machines, the premium fully automatic washing machines have been growing at a faster rate compared to semi-automatic washing machines signaling the customer shift towards the premium products. Similarly in the automobile space, the passenger vehicle PV segment is seeing a noteworthy premiumization trend. In fact, the share of relatively premium PVs – Sports Utility Vehicles (SUVs) has increased from 29% in fiscal 2019 to 60% in fiscal 2024 and reached 65% in Apr-Dec of fiscal 2025. The traction for these feature rich connected vehicles has been on the rise, especially from the young customer base, and is expected to continue going ahead.

Thus, this growth of premium products – premiumization trend – has taken over multiple industries including the two-wheeler industry. Over the long-term horizon, Crisil Intelligence expects the premiumization trend to drive the overall sales in the 2W industry.

Electrification in the 2W industry

EV sales have grown, especially post pandemic aided by the rising awareness, government support and expanding EV portfolio of the industry. The entry of the new age non-traditional OEMs like Ola, Ather, Okinawa and Ampere provided an additional boost to the EV segment in India.

Going ahead, the rise in electrification is estimated to contribute significantly to the industry growth over the long term.

Shrinking replacement cycles

The vehicle replacement cycles have been shrinking amidst the expanding vehicle portfolios by OEMs, entry of newer players into the industry - global & non- traditional, increasing number of attractive, feature rich and competitively priced vehicle launches, shortening duration of new vehicle launches by OEMs, continuous

technological advancement in vehicles, younger buyer demographic, expanding financing coverage and rising awareness. The increasing share of scooters with a relatively lower ownership holding period is another factor contributing to the shortening of the replacement cycle in the overall 2W industry.

From an average 10-12 years replacement cycle a decade ago, the replacement cycles have come down to 7-8 years. The shortened replacement cycle for the average customer is an added boost for the two-wheeler industry sales.

Accessories lending further support to OEM topline and the bottom line

Over the years, traditional ICE 2W OEMs have expanded their consumer offerings with company branded accessories and merchandise like side mirrors, vehicle covers, seat covers, handlebar pads, engine guard, backrest, helmets, apparels, gloves etc. Such branded accessories form an integral part of the two-wheeler industry. For the premium models / brands, merchandising has also been actively promoted as a means to drive brand image and build long term loyalty by developing a sense of community (for example Royal Enfield). The revenues from sales of accessories & merchandise, along with those from sale of parts and spares, typically contribute ~10-15% of the overall revenues for the traditional ICE 2W OEMs.

In line with the ICE 2W players, the new age EV players have also entered the accessories and merchandise space and are providing some of the traditional accessories like vehicle cover, seat covers, floor mats, sidestep, t-shirts and helmets. However, they have also started to offer technologically advanced accessories for their customers including smart helmets, portable chargers, fast chargers, electronic tyre inflators, pressure monitors etc. These advanced accessories are sold at a premium over the general accessories as they have technology integrations that cater specifically to the E2W customer. Going forward, the demand for such accessories is expected to rise along with the growth of the overall E2W industry.

These accessories and merchandise products are high gross margin (25-30%) products for the OEMs which not only promote the brand but also provide an added support to the company top line as well as bottom line.

Advancement in Vehicle Technology

Over the years, there has been a significant advancement in vehicle technology as well as addition of latest features in ICE as well as EVs, making the vehicles more appealing to the customers, especially the younger buyers. EV segment has revolutionized the industry in terms of latest technological designs as well as offerings, and ICE vehicles are following with notable advancements.

In recent two-wheelers, features such as digital instrument cluster (around 2010), navigation (around 2017), USB charging port (2017), Bluetooth connectivity (2018), cruise control have been added over the years. Over and above these basic features, premium vehicles including EVs offer much advanced features like full colour TFT displays, gear shift indicators, real time mileage, fuel efficiency metrics, music, calls on vehicle display, riding modes, traction control, keyless ignition, smart helmets with built in communication, etc.

As technology continues to advance, two-wheeler industry will witness more innovations in the coming years, making the ride safer and more enjoyable for the customer, thereby supporting the growth of industry over the long-term horizon.

Domestic Two-Wheeler Industry Outlook (fiscals 2025 to 2031)

The industry is expected to continue its growth momentum over the long-term horizon led by the positive microeconomic and macroeconomic environment, favourable rural demand, premiumization, intermittent launches, shrinking replacement cycle and continued support from financiers. Moreover, continued R&D investments by the OEMs and the technological advancements in the industry to provide an added support to the growth of the industry over the long-term horizon.

Additionally, the fast-rising EV segment, with EV portfolio expansion by legacy players, capacity expansion by new age players will accelerate the industry growth. Entry of legacy players like HMSI, Suzuki and Royal Enfield in the EV space will provide further thrust to the segment growth.

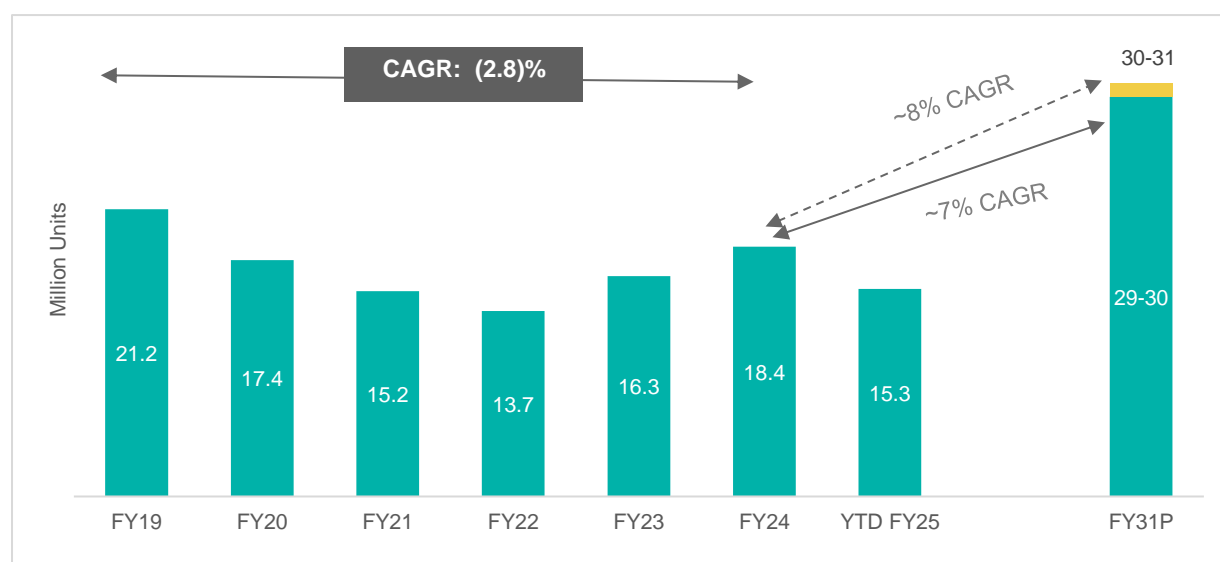
Introduction of CNG powertrain motorcycle by Bajaj and TVS also announced CNG scooter, which will offer lower operating costs compared to petrol variants, will push the two-wheeler industry growth further. Led by these

positive industry drivers, the two-wheeler industry sales are projected to grow at ~7% CAGR and reach volumes of 29-30 million by fiscal 2031. Of this, the E2W segment is projected to clock a healthy CAGR of ~41% during the period and the ICE 2W vehicle segment is expected to grow at a pace of ~2% CAGR.

With the growth in E2Ws, the EV penetration is expected to reach ~35% of overall 2W industry sales by fiscal 2031.

In an optimistic scenario, supported by increased EV launches, favourable government support, faster momentum in infrastructure development, reduced battery prices, easing supply chain constraints, localized value chain and faster consumer shift towards electrification, the industry sales are projected to grow at a faster pace of ~8% CAGR to reach volumes of 30-31 million by fiscal 2031. In the optimistic scenario, EV penetration is expected to reach ~40% compared to ~35% estimated for the base case.

Domestic two-wheeler industry outlook (till fiscal 2031)

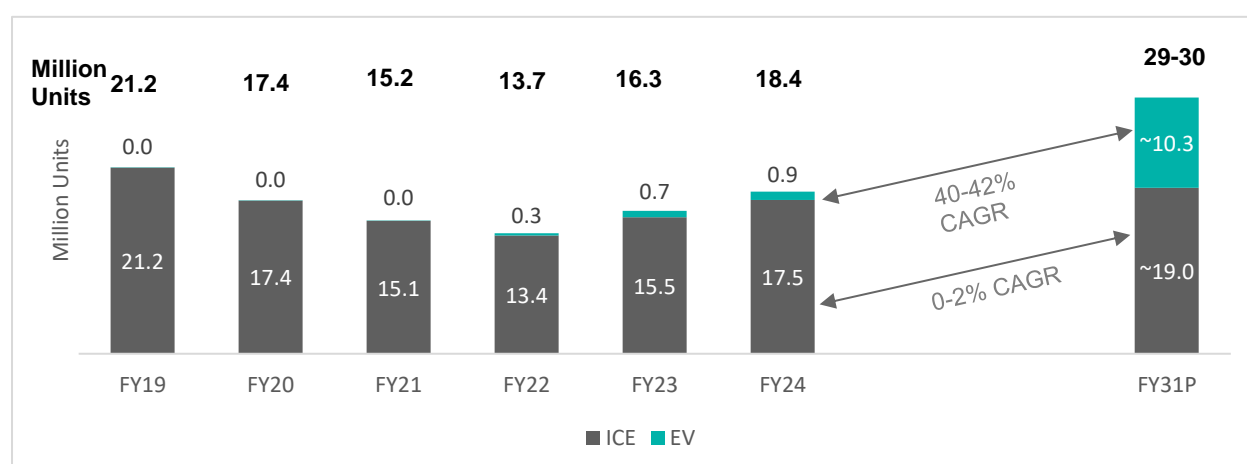


Note: The numbers indicated by the dotted arrow represent the optimistic case

YTD FY25: Apr – Dec 2024

Source: SIAM, Crisil Intelligence

Domestic two-wheeler industry powertrain wise outlook



Note: Figures above the graph showcase the total sales, outlook is for the base case scenario

Source: SIAM, Crisil Intelligence

Going ahead, over the long-term horizon, Crisil Intelligence expects the scooter segment to grow at a much faster pace off the relatively lower base, backed by expected sharp rise in e-scooter demand, ubiquitous usage of scooters, rising share of women in workforce, projected growth of e commerce segment coupled with continued focus of OEMs on the scooters segment. The strong launch pipeline, especially for e-scooters and faster replacement cycles of the scooters segment will

also back the faster growth of the scooters segment. Further, the improvement in supporting charging infrastructure is expected to provide added impetus to the segment's growth.

Crisil Intelligence projects the scooters segment to grow at a faster pace of 8-10% CAGR over the long-term horizon. Sizeable portion of the ICE scooter replacement demand will shift towards the electric variants.

Segmental Split Outlook

Segmental growth within the industry in the last 5 years and outlook till fiscal 2031

| Segment | FY19-FY24 CAGR | FY24-FY31P CAGR |
|--------------------|-----------------|-----------------|
| Motorcycles | (3.0) % | 4-6% |
| ICE | (3.1) % | 3-5% |
| EV | NM | 107-109% |
| Scooters | (1.3) % | 8-10% |
| ICE | (4.3) % | (7)-(8) % |
| EV | 101.3% | 35-37% |
| Mopeds | (11.4) % | 6-8% |
| ICE | (11.4) % | (21)- (19) % |
| EV | NM | NM |
| Total | (2.8) % | 6-8% |

Note: NM: Not meaningful; Figures in bracket to be read as negative (e.g. (10) to be read as minus 10), EV retail data from VAHAN has been considered.

Source: SIAM, Crisil Intelligence

Review of the Indian Electric Two-wheeler Industry

In India, the EV two-wheelers (E2W) are gaining popularity enabled by the government's support via Faster Adoption and Manufacturing of Hybrid and Electric vehicles (FAME II), EMPS subsidy and the latest PM E-drive subsidy, state subsidies and tax rate cuts coupled with growing awareness and concern for environmental issues. An expanding E2W portfolio of tech – enabled at lower acquisition costs has driven consumer interest in and accelerated the growth of E2Ws in India. Significant strides in product evolution are one of the primary reasons for the sharp growth witnessed in the E2W segment in India.

Evolution of E2W offerings

Electrification in the two-wheelers industry started with low-speed electric two-wheelers. These low-speed electric vehicles had a much smaller battery and a speed limit of about 25 kmph.

The real push to electrification in the two-wheelers industry came from the launch of high-speed electric two-wheelers (speed >25kmph). These electric vehicles were comparable to their ICE counterparts in terms of power as well as speed. The organised nature of the high-speed electric two-wheelers industry also provided authenticity and trust to the E2W segment. Further, in 2018 Ather Energy launched the country's first smart electric scooter with features like touchscreen dashboard, connectivity features via 3G sim card and onboard navigation.

Improved battery chemistry and development of associated software technology is further aiding fast charging capability of the latest EVs. Software enablement in motor controllers as well as battery management systems have supported improvement in vehicle efficiency as well.

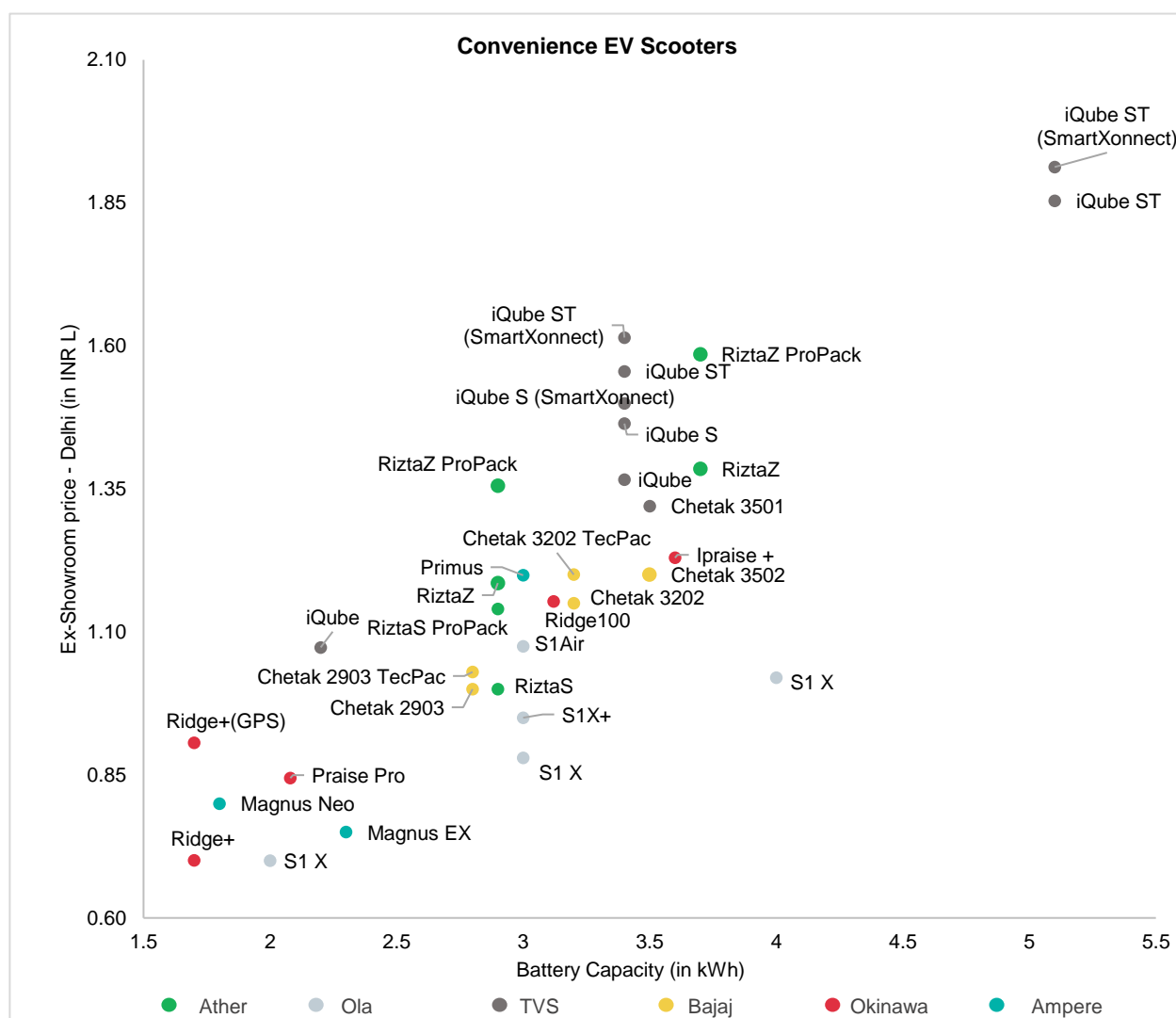
These technological advancements have helped EV OEMs address one of the primary concerns regarding the usage of EVs – the range anxiety. In fact, the high-speed electric vehicles launched in 2018 had a relatively limited range of about 60-75km per charge. In the next 6 years, the range has nearly doubled to 100-150km per charge.

Additionally, over the years, OEMs have also introduced high performance e-scooters which offer maximum speed of more than 80 km/hr like Ather 450 series, Ola S1 Pro, TVS X etc, to cater to customers who value power and performance.

Moreover, number of product offerings have expanded significantly in the last few years further propelling the industry growth. In line with traditional ICE 2Ws, E2Ws are also being offered in the convenience as well as performance categories, where convenience scooters are comfort focused scooters that provide high mileage and cater to family and daily usage. On the other hand, performance scooters focus on higher power and superior performance.

Convenience Scooters Category Offerings (2025) – EV

Convenience ICE scooters account for almost 81% of the 2W ICE scooter market by volume during Apr – Dec of fiscal 2025, thereby making the target customer segment attractive for electric 2W players. As can be seen from the graphs below, a host of E2Ws are now present in the convenience category across battery capacity range. It has also been largely observed that as battery capacity increases, the E2W price also increases. Prices are also a function of technological features (including add-on packs) and national subsidies (like the current PM E-drive subsidy).



Convenience EV scooters (January 2025)

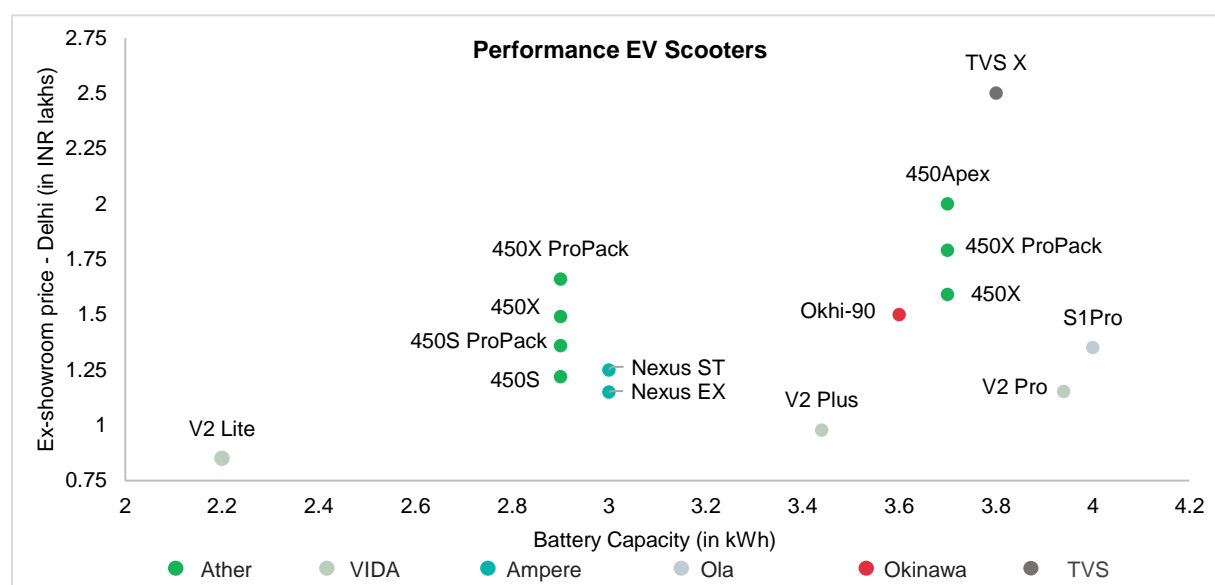
Note:

- Delhi Ex-showroom prices have been considered.
 - Ola & Hero do not offer option of buying the vehicle without the software pack. The ex-showroom prices are inclusive of the cost of software package.
 - PM E-drive subsidy and any direct cash discounts offered by OEMs as of 20th January 2025 have been considered in the prices.
- Convenience categorization is done based on the company positioning of the vehicle Source: Industry, Company Websites

Performance Scooters Category Offerings (2025) – EV

Performance ICE scooters account for almost 19% of the 2W ICE scooter market by volume during Apr – Dec of fiscal 2025. As can be seen from the graphs below, few OEMs are now offering E2Ws in the performance category with product options across battery capacity range, having prices up to INR 2 lakhs.

Performance EV scooters (January 2025)



Note:

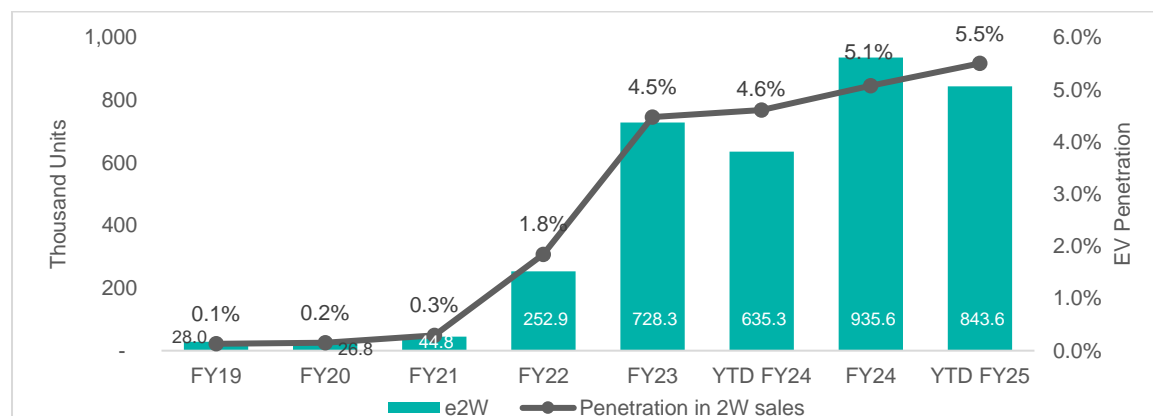
- Delhi Ex-showroom prices have been considered.
- Ola & VIDA do not offer option of buying the vehicle without the software pack. The ex-showroom prices are inclusive of the cost of software package.
- PM E-drive subsidy and any direct cash discounts offered by OEMs as of 20th January 2025 have been considered in the prices.
- Performance categorization is done based on the company positioning of the vehicle

Source: Industry, Company Websites

EV OEMs have expanded their offerings across multiple price brackets and battery capacities, in order to cater to various customer requirements.

Over the last 6 years, high speed E2W have propelled momentum in E2W sales, having increased at a rapid pace from 28k retails in fiscal 2019 to 936k retails in fiscal 2024. EV retails reached to 844k during Apr – Dec of fiscal 2025 as compared to 635k in Apr - Dec of fiscal 2024. The healthy growth in electrification was propelled by rising awareness, continued government support, lower total cost of ownership of EVs compared to their ICE counterparts, narrowing gap between acquisition cost of EV and ICE parallels, lower maintenance, new age advanced features and expanding EV portfolio of the industry. The entry of the new age non-traditional OEMs like Ola, Ather, Okinawa and Ampere has enabled the growth of the E2W segment in India.

E2W Retails (high speed) and Penetration trend (fiscals 2019 to YTD 2025)



Note: Only high-speed electric two-wheelers have been considered for the analysis

YTD FY25: Apr – Dec 2024 and YTD FY24: Apr – Dec 2023

Source: SIAM, SMEV, VAHAN, Crisil Intelligence

However, E2W retails were growing only at a moderate pace till fiscal 2022 due limited vehicle portfolio, lower awareness, customer concerns regarding the range, charging infrastructure etc; despite the INR 10,000 per kWh government incentive under the FAME scheme. In June 2021, demand incentive for 2Ws was increased to INR 15,000/

kWh from INR 10,000/kWh incentive given earlier. This heightened FAME incentive coupled with expansion in vehicle portfolio by players as well as entry of Ola provided an additional thrust to the E2W retails in fiscal 2022.

Additionally, ICE vehicles witnessed a steep rise in prices in fiscal 2021 due to the BSVI implementation and a further hike during fiscal 2022 amidst the hike in raw material prices. This price hike was much higher than the normal 3-4% annual hike undertaken by the industry. Over and above, this increase in vehicle acquisition costs, the sharp rise in petrol prices (petrol prices crossing INR 100 mark) during the year provided an additional incentive to customers to shift from ICE vehicles to E2Ws. During fiscal 2022, amidst the much severe Covid second wave, pressure on incomes and increased medical expenses; limiting other expenses was a priority for most of the customer base.

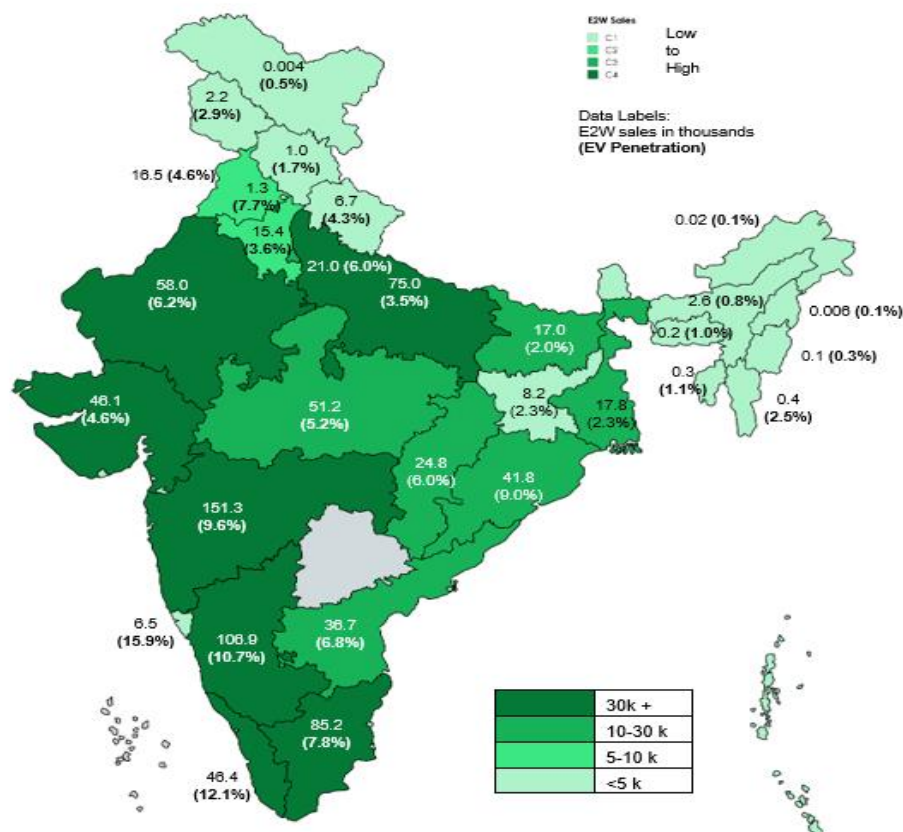
Thus, the increased subsidy on E2W, vehicle portfolio expansion coupled with increased acquisition and operating costs of ICE 2Ws led to the sharp growth in E2W retails during fiscal 2022. E2W retails rose 5.6x from 45k in fiscal 2021 to 253k in fiscal 2022.

Growth momentum continued for the E2W segment in fiscal 2023. During the year, sharp push from new age EV players supported the growth in E2W. The legacy OEMs also scaled up their EV production, providing an added push to the EV retails during the year.

Fiscal 2024 began on a very strong growth trajectory. However, On June 1, 2023, the government reduced the FAME subsidy incentive cap from 40% of a vehicle's value to 15% and capped the subsidy at INR 10,000 per kWh of battery from INR 15,000 per kWh earlier. Due to this, manufacturers have had to increase the prices of electric scooters, which led to a 57% sequential slowdown in sales in June. This sharp sequential contraction was on an elevated base of May 2023, where sizeable pre buying was done by the customers due to the price rise from June.

State wise two-wheeler sales and EV penetration for Apr - Dec of fiscal 2025

The below graph showcases E2W penetration and E2W sales by states. As per the graph, states like Karnataka, Maharashtra, Goa, and Kerala have highest E2W penetration, while states like UP, Bihar, West Bengal, Madhya Pradesh and Gujarat have relatively higher 2W sales, making their EV penetration relatively lower. Eastern states including the seven sisters, West Bengal and Jharkhand have very low EV penetration between 0-3%. Northern states like Punjab, Himachal Pradesh, Uttarakhand, and Jammu Kashmir also have low EV penetration in the range of 2-5%.



Source: SIAM for 2W sales, VAHAN for E2W retails

Note: Data as of Apr – Dec of fiscal 2025 does not include Telangana EV retails, Only High Speed EVs have been considered.

Source: VAHAN

Changing dealership landscape

The two-wheeler industry has always operated through a conventional dealer-owned-dealer-operated (DODO) model, where OEMs supply the vehicles to the independent dealers; then the vehicle sales & aftersales are managed by these dealers. These dealerships are owned and operated by independent dealers.

However, with the advent of E2Ws, a new dealership model has been introduced into the two-wheeler ecosystem, the company-owned-company-operated (COCO) model, where company owns and operates the dealership or the experience centre. In this model, OEMs manage the entire operations including the vehicle inventory, sales and aftersales.

In the conventional DODO model, dealers incur the capital and operating costs including manpower cost, inventory costs, utility bills as well as working capital expenses. These dealers, then get a per vehicle margin on each vehicle sold from the OEMs. Over and above that, dealers also earn revenue from sale of accessories, spares and service.

On the contrary, in COCO model, OEMs operate the experience centre or outlet through their own staff. In this case, OEMs are responsible for setting up the outlet and must incur the capital and operational costs. The OEMs have the complete control over inventory, accessories, and service.

Although the operating margins are higher for COCO model, the expenditures involved are also higher as the initial dealership investment is done by the company instead of a third-party dealer. Also, the dealership operating expenses are incurred by the company which raises the overall operating expenses. While this is not the case with DODO model, the revenues are lower as margins are shared with the dealers.

Customer Experience Centers for E2Ws

Experience Centers are designed to engage, educate, and empower customers and provide a personalized experience. These centers help customers in their buying decisions with proper guidance and expertise. This is an extremely important part of the E2W purchase journey as it allows potential customers to experience new-age products by themselves. Experience Centers are equipped with experts who assist with detailed information on product features, test drives, finance options and overall buying process. These experts guide customers through the various buying process stages such as documentation, purchase, delivery, post-sale care and maintenance.

Customers can experience products directly via a test drive, and also experience real and virtual demonstrations of what the product does and how it works. Today electric vehicle manufacturers are using the concept of Experience Centers to drive customer engagement and sales, especially in the electric 2W segment.

Competitive landscape of the 2W / E2W industry

India's Two-wheeler industry has traditionally been a market with only few major players, wherein the top 4 players have contributed to more than 80% of the annual sales. However, over the years, the competition has intensified within the industry, especially, with the entry of new age players in the electric scooter segment like Ola, Ather, Okinawa and Ampere catering to the fast-expanding segment of EVs.

The E2W segment has been highly concentrated with a few players primarily catering to the entire segment. During fiscal 2019, a few OEMs like Hero Electric and Okinawa completely dominated the market with more than 80% of the market share. Over the years, with the entry of new players, EV launches from legacy ICE OEMs as well as expansion in EV portfolio of players, competition intensified within the EV space.

High speed vehicles offered initially by Hero Electric and Okinawa offered relatively lower speed and acceleration compared to the ICE counterparts. Ather Energy entered the market in fiscal 2019 with its 450 model which offered comparable power and acceleration as an ICE vehicle along with internet connectivity and "smart" features. This helped Ather achieve ~11% market share in fiscal 2020 and they have managed to maintain that share through multiple updates to the Ather 450 line, despite the intensifying competition in the next 4 years. Ather Energy had a 11.5% market share in fiscal 2024. It is the third largest E2W manufacturer in India by sales market share, after Ola and TVS, as of fiscal 2024. Intermittent launches, technology rich products, expansion in retail network and development of the overall E2W ecosystem has helped the company maintain its momentum in the market. Amidst the intensified competition, Ather

Energy has lost share during Apr – Dec of fiscal 2025 and reached 10.7%. As compared to same period last year, Ather Energy share has lost share from 11.3% to 10.7% in Apr-Dec of fiscal 2025.

Ola entered the EV market in fiscal 2022 and expanded its presence at a very fast pace and became the leading contributor to EV retails in India. Expansion in product portfolio and distribution network thrusts the contribution of Ola in E2W market. As of fiscal 2024, Ola has the market leadership in E2W sales with a share of 35.1%. In Apr - Dec of fiscal 2025 Ola share decreased to 34.1%. However, compared to the Apr-Dec of fiscal 2024, Ola's share has increased from 33.0% to 34.1% in Apr-Dec of fiscal 2025.

The legacy OEMs have also entered the EV space. TVS introduced the iQube model in fiscal 2020 and has gradually increased its supply over the years. Its model iQube received healthy traction helping them clock second highest retails during fiscal 2024. It has maintained second highest market share in Apr - Dec of fiscal 2025.

Bajaj's Chetak EV was introduced in Q4 of fiscal 2019. The company gradually expanded its presence across the country in the next few years. With increased company focus, coverage expansion and higher production, the company's share increased to 10.4% during Apr-Dec period of fiscal 2024 and 11.4% in fiscal 2024 and the share further expanded to 18.1% in Apr – Dec of fiscal 2025.

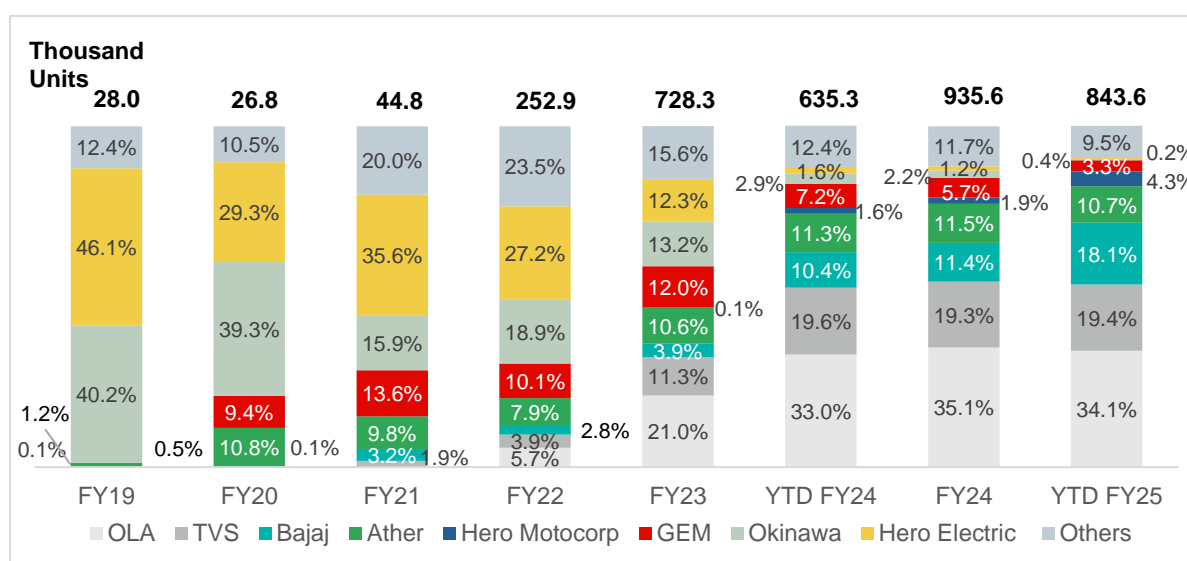
Ampere entered the market in fiscal 2020 and gradually expanded its presence in the E2W space. In fiscal 2023, company's contribution reached 12% levels. However, amidst the increased competition, the company lost some ground during Apr-Dec of fiscal 2024 and full year fiscal 2024 to 7.2% and 5.7% respectively and the share further reduced to 3.3% in Apr - Dec of fiscal 2025.

HMCL entered the EV segment with VIDA in fiscal 2023. In the two years, the company's contribution has increased to ~2% by fiscal 2024. Its share increased to ~4% in Apr - Dec of fiscal 2025 amidst increased traction for its VIDA models.

In late November 2024, HMSI entered the electric scooter market with the launch of the Activa e model featuring swappable batteries, and the QC1 model equipped with a fixed battery system. Deliveries for the same started in February 2025 in some selected cities in India. This move is expected to further boost the electric vehicle market.

Erstwhile leading contributors in the E2W industry, Hero Electric and Okinawa faced stiff competition from newer entrants and increased focus from other legacy two-wheeler manufacturers. From a high base, their share contracted in the next 3 years.

OEM wise contribution to E2W retails



Note: YTD FY25: Apr – Dec 2024 and YTD FY24: Apr – Dec 2023

Source: VAHAN, Crisil Intelligence

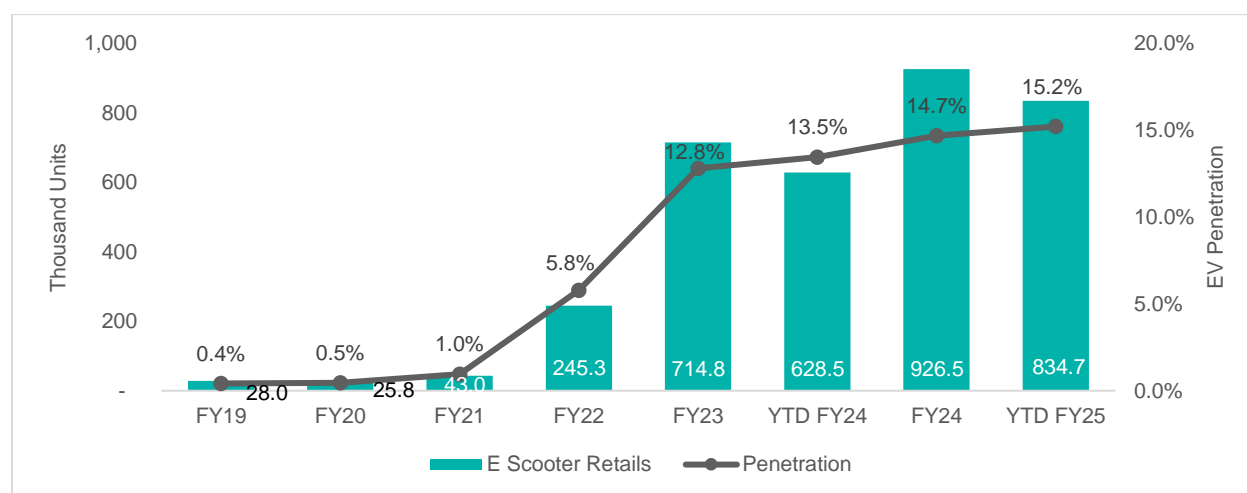
Given more than 98% contribution of scooters in E2W retails, OEM wise contribution for scooters is in line with the OEM wise contribution for overall 2W segment.

Segment wise EV sales trend

Electrification is much more pronounced in the scooters segment and very limited in motorcycles. Within the two-wheeler space, the scooter segment was the first to see the launch of electric models, owing to an already established preference for scooters by women as well as men, and college students and professionals, coupled with its growing demand as an additional vehicle for intracity commute. In fact, scooters also provide a better proposition over motorcycles in the form of higher storage, load carrying capacity and relatively lower acquisition cost. Additionally, motorcycles are normally used for longer commute, raising the range concern for electric variants.

Thus, most of the OEMs introduced electric models in the scooters segment barring a few OEMs like Revolt, Ultraviolette and Tork Motors. Moreover, the acceptance of electric motorcycles has been relatively limited. Hence, even in the overall EV retails the share of motorcycles remained limited as of fiscal 2024. As of fiscal 2024, e motorcycles/ e bikes contributed 1% to EV sales.

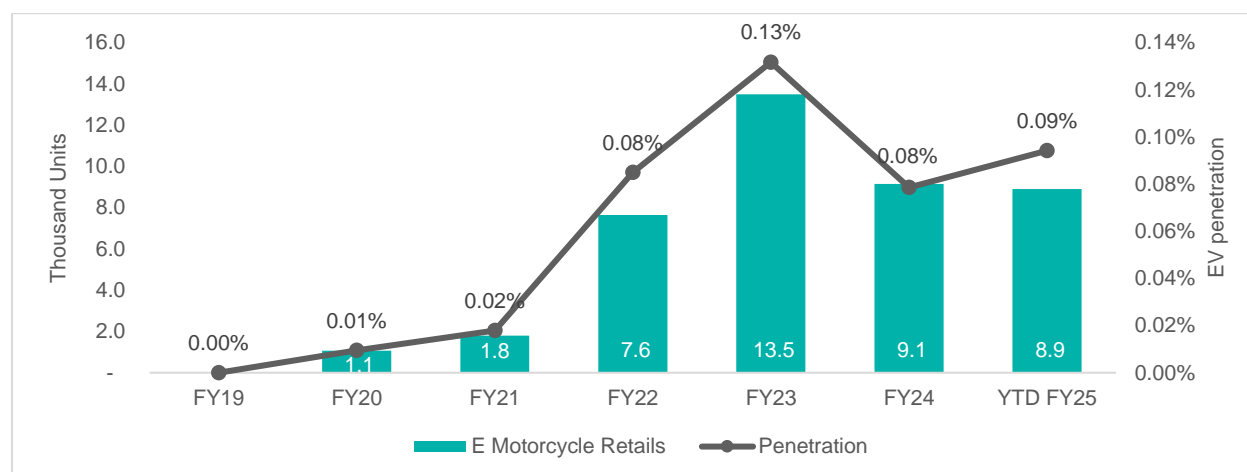
EV penetration within Scooter retails



Note: YTD FY25: Apr – Dec 2024 and YTD FY24- Apr-Dec 2023

Source: VAHAN, SIAM, Crisil Intelligence

EV penetration within Motorcycle retails



Note: YTD FY25: Apr – Dec 2024

Source: VAHAN, SIAM, Crisil Intelligence

Growth Drivers for E2Ws

Over and above the conducive environment for electrification, including government focus on environment & limiting air pollution, support for manufacturing EVs, demand incentives and tax breaks, below key drivers are expected to aid the electrification in the two-wheeler industry over the long-term horizon.

Cost of Ownership Comparison - EV vs ICE

For the Total cost of ownership (TCO) calculation, an annual running of 8,000 km is considered, i.e., 25 km per day for 325 days of operation per year. A 7-year holding period is considered, assuming no battery replacement happens during the ownership period.

In fiscal 2025, the total cost of ownership (TCO) of an E2W, with subsidy, was 37% lower than that of an ICE 2W for an annual running of 8,000 km. With subsidy this difference increased to 55% for fiscal 2024.

Going ahead, by fiscal 2031, E2W ownership is expected to become financially more lucrative. For an annual running of 8,000 km, the E2W TCO is projected to be 52% lower than its petrol counterpart even without the subsidy. Total cost of ownership for an E2W is decreasing over the years amidst the lowering global battery prices, economies of scale and improving technology resulting in higher manufacturing efficiency of the electric vehicles.

However, despite the favorable TCO, the acquisition cost (ex-showroom price) for an E2W was about 40% higher than its ICE counterpart during fiscal 2024. Going ahead, this price gap between the two is expected to narrow down considering the expected decline in battery prices and improving economies of scale, despite standard inflation impact.

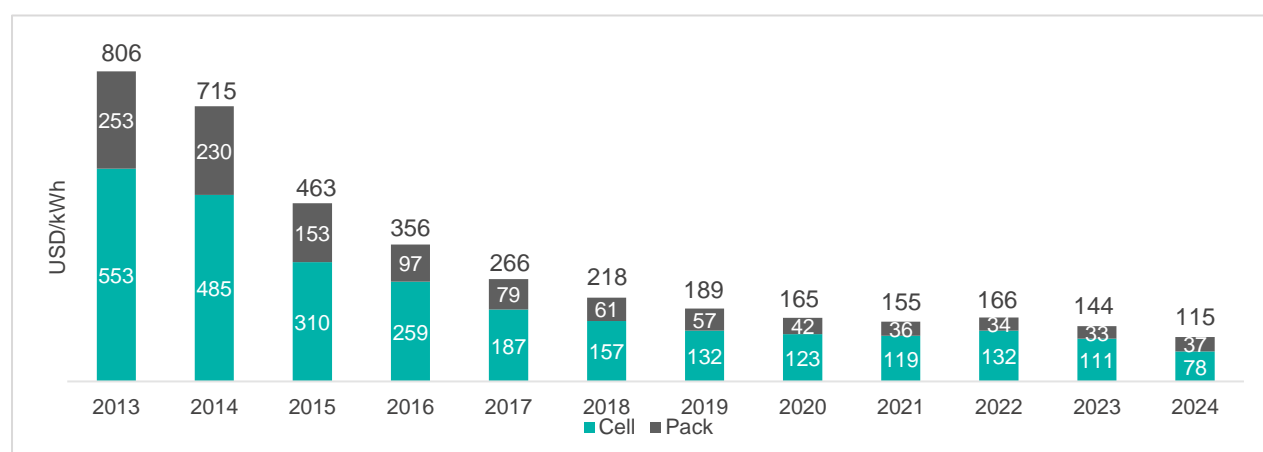
Considering the current GST structure to continue till fiscal 2031, in a scenario where there is some form of central/ state subsidy being provided till fiscal 2026, the gap between the acquisition cost (ex-showroom price) of an E2W and ICE 2W is projected to shrink to ~7% by fiscal 2031.

E2Ws currently offer more advanced technological features such as touch screen displays, map-based navigation, Bluetooth and LTE connectivity.

Battery Pack price glide path and drivers

The prices of lithium-ion cells and battery packs have been declining steadily in recent years. This is due to several factors, including increased demand, technological advancements, and economies of scale.

Volume weighted average lithium-ion battery pack and cell price (2013-2023)



Notes: Historical prices have been updated to reflect real 2024 dollars. Weighted average value includes 303 data points from passenger cars, buses, commercial vehicles, and stationary storage.

Source: Bloomberg NEF

BNEF expects pack prices to decrease by USD 3/kWh in 2025. Looking ahead, continued investment in R&D, manufacturing process improvements, and capacity expansion across the supply chain will help improve battery technology and further reduce prices to USD 80/kWh in 2030.

Government Policies

FAME policy (I & II)

As part of the National Electric Mobility Mission Plan (NEMMP) 2020, the Department of Heavy Industry (DHI) formulated the FAME I policy in 2015 with a budget outlay of INR 895 crore. The FAME I policy was aimed at promoting EV ecosystem through technology development, demand creation, pilot project, and charging infrastructure thereby ensuring its sustainable growth. In FAME I, about 2.78 lakh EVs were supported via demand incentives. In addition, 465 buses were sanctioned to various cities/states under this scheme. Phase-II of the FAME policy was implemented with an outlay of INR 10,000 Crore in 2019 for a period of 5 years, with the aim to support demand for EVs by supporting 7,000 e-Buses, 5 lakh E3Ws, 55,000 E4Ws (Commercial purposes) and 10 lakh E2Ws (including commercial & private). The Ministry of Heavy Industries (MHI) had sanctioned 520 Charging Stations/Infrastructure under the FAME I policy. Further, this Ministry has also sanctioned 2,877 Electric Vehicle Charging Stations in 68 cities across 25 States/UTs and 1,576 charging stations across 9 Expressways and 16 Highways under FAME II.

In June 2021, demand incentive for 2Ws was increased to INR 15,000/ kWh capped at 40% of the vehicle cost. In June 2023, this was again revised and reduced to INR 10,000 per kWh of battery from INR15,000 per kWh earlier and the maximum subsidy cap was reduced from 40% to 15%.

With the expiry of FAME II in fiscal 2024, the government introduced Electric Mobility Promotion Scheme 2024 (EMPS) to support the adoption of EV 2Ws and 3Ws.

Electric Mobility Promotion Scheme 2024

MHI introduced Electric Mobility Promotion Scheme 2024 (EMPS 2024) in March 2024 with a budget outlay of INR 500 crores for a period of 4 months, starting from 1st April 2024 to 31st July 2024, for faster adoption of electric two-wheeler (E2W) and three-wheeler (E3W). The scheme was extended for two months, till September 2024. The scheme aimed at providing incentives for the purchase of E2Ws and E3Ws in the country.

The EMPS subsidy ended on 30th September 2024 and has been replaced by PM E-DRIVE scheme.

PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme

The PM E-DRIVE scheme with an outlay of ₹10,900 crore, was implemented from 1st October 2024 and will continue till 31st March 2026, for faster adoption of electric vehicles (EVs), setting up of charging infrastructure and development of EV manufacturing eco-system in the country.

Incentives under PM E-DRIVE Scheme for E2W and E3W segments:

| Vehicle Segment | No. of vehicles to be supported | | Incentives for vehicles | | Maximum ex-factory price |
|-----------------|---------------------------------|-----------|---------------------------------------|---------------------------------------|--------------------------|
| | FY25 | FY26 | FY25 | FY26 | |
| E2W | 1,064,000 | 1,415,120 | ₹5,000/- kWh capped at Rs. 10,000 max | ₹2,500/- kWh capped at Rs. 5,000 max | ₹1.5 Lakhs |
| E3W (L3) | 43,371 | 67,225 | ₹5,000/- kWh capped at Rs. 25,000 max | ₹2,500/- kWh capped at Rs. 12,500 max | ₹2.5 Lakhs |
| E3W (L5) | 80,546 | 124,846 | ₹5,000/- kWh capped at Rs. 50,000 max | ₹2,500/- kWh capped at Rs. 25,000 max | ₹5 Lakhs |

Source: Ministry of Heavy Industries (MHI)

The scheme aims to establish a robust network of public charging stations, including 22,100 fast chargers for E-4Ws, 1,800 for e-buses, and 48,400 for E2Ws and E3Ws, boosting user confidence. These charging points to be installed in key cities with high electric vehicle penetration and along select highways. The total outlay for charging infrastructure under the scheme is Rs. 2,000 crore.

The subsidy for E3W has now been reduced to ₹2,500 per kWh capped at ₹25,000 from November 2024 as the upper sales reached the limit of 80,546 for the year FY25.

Charging and EV Infrastructure policy

The government is actively promoting charging infrastructure and battery swapping to support the EV ecosystem in India. The plan is to establish five lakh public charging stations (PCS) by 2025, by offering financial assistance to states and private companies. This initiative addresses the lack of charging infrastructure which is a key barrier to EV adoption. Further through the revised guidelines and standards for charging infrastructure issued by Ministry of Power, the government aims to augment the station density/distance between two charging stations as below:

- At least one charging station to be made available in a grid of three-by-three km. Further one charging station to be set up at every 25 km on both side of highway/roads.
- For long range and heavy duty EVs, there should be one fast charging station at every 100 km, one on each side of the road/highway.

Policies towards battery recycling

Battery Waste Management Rules 2022 was implemented by the Government to promote the re-use and recycling of Advanced Chemistry Cell (ACC) batteries. This policy has set out the government's vision for battery recycling in India, including the provision of financial incentives, the development of standards, and raising of awareness about the importance of battery recycling. The traditional EV battery value chain includes raw material extraction, battery manufacturing followed by first life application and finally disposal. However, battery re-use and recycle will introduce alternate value chain where batteries are re-purposed for a second life application in the energy-storage segment. Finally, in the end-of-life stage where the battery no longer meets its performance requirements, it is recycled for extraction of metals like Co, Ni, Al, Cu, etc. The introduction of re-use and recycle policy of ACC batteries would help to reduce the battery prices further and improve availability of raw materials in the future.

Vehicle Scrappage

The scrappage policy envisages the phasing out of old passenger and commercial vehicles. The policy aims to curb air pollution, improve road, passenger & vehicle safety, enhance fuel efficiency, improve auto sector sales, and boost availability of low-cost materials for automotive, steel and electronics industry.

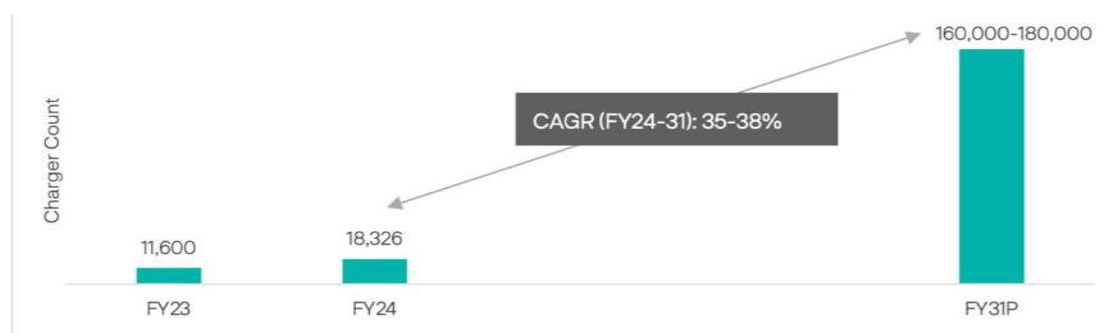
Charging Infrastructure for 2Ws

Charging infrastructure plays a significant role in growth of EV adoption.

EV charging stations have single or multiple charge points that supply electrical power necessary to charge a vehicle. Electric vehicle supply equipment (EVSE) is the basic unit of a charging station where it accesses power from electricity grid, utilizes a control system and connectors to charge EVs. EVSE manufacturers meet the need for EV chargers by supplying OEMs with charging equipment for retail EV consumers and to charge point operators (CPOs) who put up charging stations in public places. EVSE manufacturers are also partnering with EV fleet operators to develop the most appropriate charging solutions for their fleet.

For E2Ws, the number of public chargers in fiscal 2024 was 18,326 and is expected to grow at a CAGR of 3538% from fiscal 2024 to fiscal 2031. The connector types for E2Ws considered as per BEE India are Bharat AC-001, Bharat AC-001, Light EV AC Charge point, Light EV DC Charge point, and Light EV Combined Charging standard (LECCS).

Two-wheeler public charging infrastructure outlook



Source: BEE India, Crisil Intelligence

Note: * FY24 data is for Apr-Jan month. P=Projected

The chargers depicted in the chart above represent public charging stations as per BEE standards. However, it's important to note that for every electric two-wheeler (E2W) sold, a home charger is provided which can be plugged into a standard 6A / 5A socket.

Key players present in standard as well as fast charging infrastructure

Ather Energy's charging infrastructure initiative, Ather Grid, is a crucial aspect of their electric vehicle ecosystem. For corporates, the company is also offering incentives to host a charging station on their premises. Ather Grid EV chargers incorporate their in-house designed charging connector, which has been established as a national charging standard for electric two-wheelers (LECCS) recognized by the BIS (Bureau of Indian Standards).

Ather was the first two-wheeler OEM to establish a two-wheeler fast charging network in India in 2018, the Ather Grid, which has the widest footprint amongst two-wheeler fast charging networks as of December 31, 2024, comprising about 2,583 fast chargers in India.

Hero MotoCorp has partnered with Ather Energy to establish an interoperable fast-charging network of 1,000+ Vida chargers for electric two-wheelers in India as of December 31, 2024. This collaboration will allow Hero's EV users to seamlessly access Ather Grid stations across 300+ cities. Together Ather and VIDA customers have access to over 3,500 public fast chargers, across the country.

Ola Electric has also introduced the Ola Hypercharger Network, a charging infrastructure tailored for their two-wheeler products. According to the company, these hyper chargers can provide 50km charging range in 15 mins of charging. As of October 16, 2024, there are 288 hyper charging guns across various locations in India. The government is playing a crucial role in promoting electric mobility and charging infrastructure development. Various initiatives and policies, such as subsidies, incentives, and regulations, support the growth of both standard and fast charging infrastructure for two-wheelers.

Technology and advanced product offerings

The EV segment has given a push to technological advancement within the two-wheeler industry. Over and above the introduction of new advanced powertrain, E2Ws also introduced advanced features like smart connectivity, navigation, telematics, touch screen, OTA, ride modes, geofencing, proximity unlock, park assist, cruise control etc. which were traditionally not offered by ICE two-wheelers.

EVs also have software enabled features including ride journal, real time statistics, intercity trip planner, savings tracker, universal connectivity (smart phone, smart watch, helmet), anti-theft alert etc.

Thus, these advanced technologically advanced features are an added incentive for the customers to prefer E2Ws. The young customer base appreciates these advanced technologies which can influence their decision making in favor of EVs. This is expected to aid electrification going ahead.

Financing Support

There was an initial inhibition from financiers regarding financing of electric vehicles amidst the uncertainty about the vehicle resale and its end-of-life valuation. However, for leveraging the sharp growth in the E2W segment, banks as well as NBFCs have been expanding their product offerings in the E2W space.

Over and above the traditional financiers, digital commerce platforms and fintech companies like OTO, MufinGreen, LoanTap have entered the E2W segment, offering competitive financing terms for EV buyers. These new age financing companies offer novel customized financing options for EV buyers offering improved transparency, accessibility, and simplify the entire financing processes for E2Ws. Besides the fully digital financing solutions, instant approval-disbursal and flexible EMIs, these financiers also offer flexibility in financing components like battery replacements, system upgrades, exchange option, allowing consumers who wish to exchange their existing ICE two-wheeler for a new E2W.

Additionally, financiers also offer leasing and subscription schemes for e-commerce players opting for E2Ws for their logistics operations.

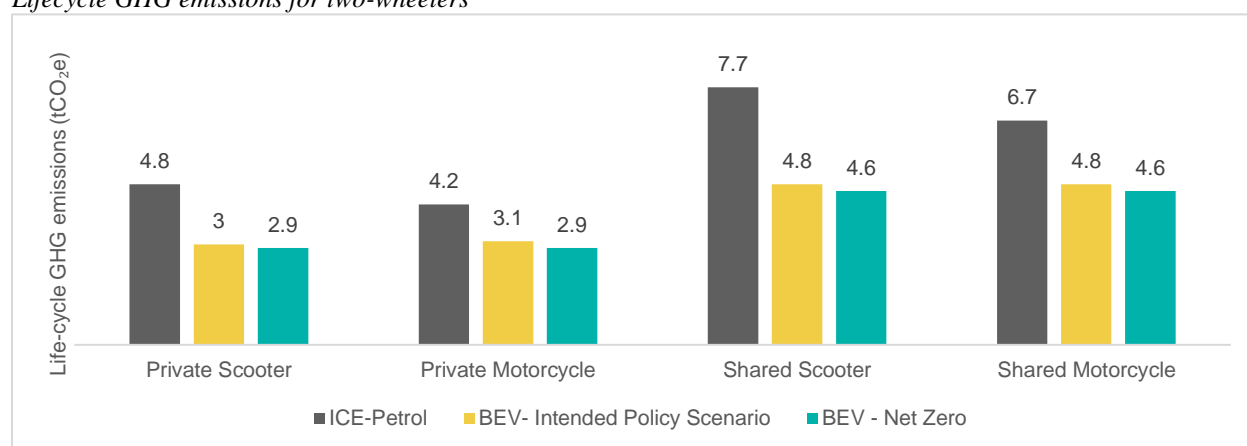
Thus, the expanding financier scope and intensifying competition within the E2W financing space will help scale up vehicle electrification in the two-wheeler industry.

Lifecycle Emissions Comparison of Electric vs ICE 2W

Life cycle emissions, referred as well-to-wheel emission, are the total amount of greenhouse gases emitted throughout a product's life, starting from its production, operation, and disposal. It considers present and projected future greenhouse gas (GHG) emissions attributable to every stage in the life cycles of both vehicles and fuels, from extracting and processing raw materials through refining and manufacturing to operation and eventual recycling/disposal.

According to The World Bank and ITF, the transition of private scooters to battery electric vehicles (BEVs) can yield a decrease in their life-cycle greenhouse gas (GHG) emissions by roughly 1.8 to 1.9 tCO₂e (tonnes of carbon dioxide equivalent) across all scenarios. An electric scooter for private use has about 38% lower GHG emissions than a petrol scooter (~1.8 tCO₂e). Similarly, transitioning private motorcycles to BEVs can lead to reductions of approximately 1.1 to 1.3 tCO₂e, representing about 26% less GHG emissions compared to petrol motorcycles. This decline in emissions is attributed to the enhanced efficiency of BEV scooters, supported by their smaller batteries and fewer manufacturing-related emissions.

Lifecycle GHG emissions for two-wheelers



Note: Energy supply was analyzed for two scenarios:

- *Intended Policy Scenario (IPS):* Transition of the electricity grid to clean energy based on previously announced policies (COP 21, 2015)
- *Net Zero Scenario:* An accelerated energy transition to meet Net Zero targets, as proposed by the government of India (COP 26, 2021)

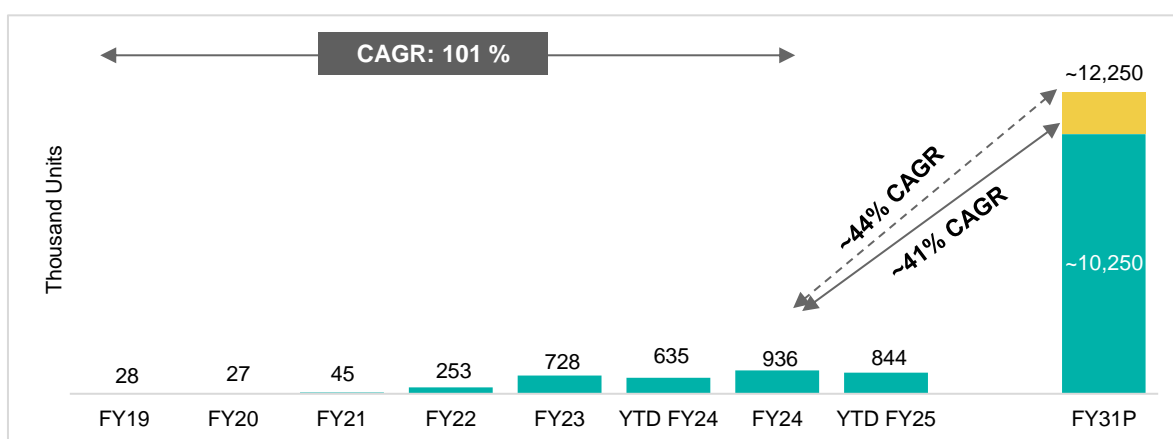
Source: International Transport Forum, Crisil Intelligence

Electrification Outlook for Indian Two-wheeler Industry (fiscals 2025-2031)

The electric two-wheeler retails rose at a sharp growth pace of 101% CAGR in the last 6 years, albeit off the small base of fiscal 2019. Going ahead the growth momentum in the industry is expected to continue over the long-term horizon led by rising awareness, improving TCO for electric vehicles, bridging acquisition cost gap between EV and ICE counterparts, larger vehicle portfolio, expanding charging infrastructure, furthering financing support, increasing EV manufacturing capacity, and continued government support.

If the government continues with the demand incentive (FAME, EMPS or an equivalent alternate form) at least for the next 1 year (till fiscal 2026), Crisil Intelligence expects the EV retails to rise at a healthy pace of ~41% CAGR and reach volumes of ~10.3 million in fiscal 2031. And the EV penetration to reach ~35% by fiscal 2031. Such expansion will make E2Ws one of the fastest growing segments in the automotive industry in India.

E2W Retails and CAGR Outlook



Note: Only high-speed electric two-wheelers have been considered for the analysis, Dotted arrow showcasing the optimistic scenario
YTD FY25: Apr – Dec 2024 and YTD FY24: Apr – Dec 2023

Source: SIAM, SMEV, VAHAN, Crisil Intelligence

Outlook for EV Penetration in 2W segment



Note: Only high-speed electric two-wheelers have been considered for the analysis, Dotted arrow showcasing the optimistic scenario.

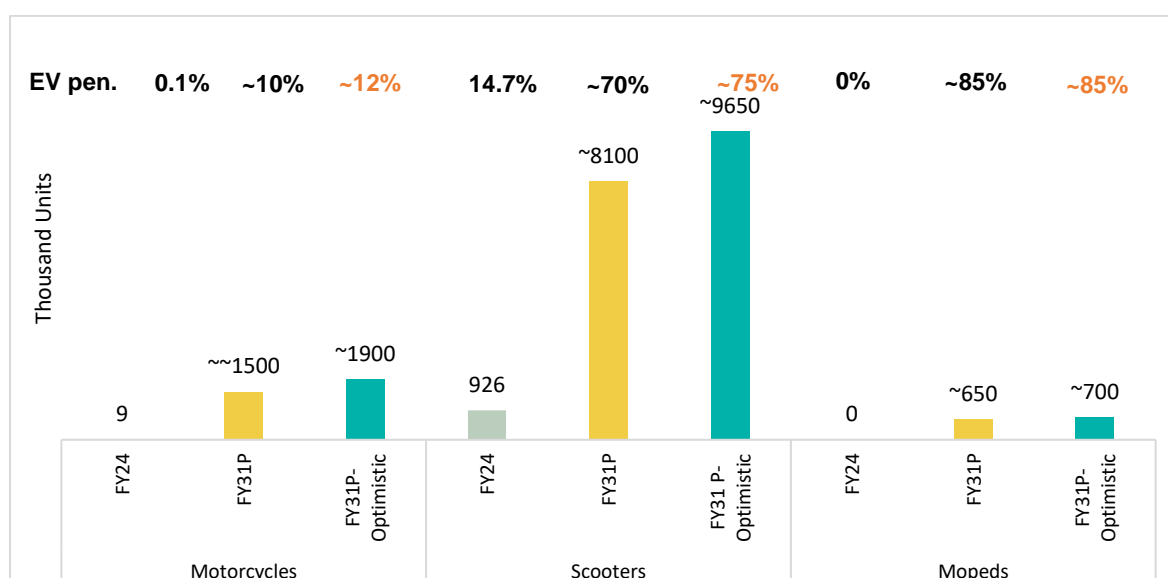
Source: SIAM, SMEV, VAHAN, Crisil Intelligence

Scooters are expected to lead the charge going ahead as well. EV penetration within scooters is currently the highest at 14.7% as of fiscal 2024. Due to the fast-expanding e scooter portfolio, OEM focus, highly tech-enabled e-scooter offerings, lowering TCO and reduction in acquisition cost difference vs ICE counterparts, the customer preference is expected to shift from ICE scooters to e-scooters leading to a sharp rise in e-scooter penetration going forward. Crisil Intelligence expects the EV penetration to reach ~70% for scooters by fiscal 2031.

Electrification within motorcycles segment has remained limited amidst limited offerings as well as longer distance usage of motorcycles compared to scooters. However, amidst the projected launch of e bikes/ motorcycles from OEMs including Revolt, Ola, Tork and Ather will back electrification within motorcycles as well. Hence, EV penetration is expected to reach ~10% within motorcycles by fiscal 2031.

In the above projections, Crisil Intelligence has considered the government demand incentive to continue till fiscal 2026 which will provide an additional support to the EV adoption going forward.

Segment wise EV Outlook



Note: Only high-speed electric two-wheelers have been considered for the analysis. Above figures are approximate figures. Source: SIAM, SMEV, VAHAN, Crisil Intelligence

In an optimistic scenario, the electric vehicles sales are projected to grow at a faster pace of ~44% and reach volumes of 12.3 million. In this scenario, penetration within the motorcycles segment as well as scooters segment will reach a higher level of 12% and 75% by fiscal 2031.

In this scenario, Crisil Intelligence projects the overall EV penetration in 2Ws to reach ~40% by fiscal 2031.

Technology overview of E2Ws

Key components of an E2W

The key components in an E2W are charger, battery pack, battery management system (BMS), motor controller, motor, transmission, vehicle control unit, dashboard, DC-DC converter, harnesses and chassis.

The charger converts the electricity from grid/socket to charge the battery. The battery supplies DC current and current is inverted into AC through inverter/motor controller to drive the motor. The battery stores electrical energy necessary for operation of the vehicle. The BMS monitors voltage, current and temperature inside a battery pack. The measured parameters are used to provide the decision parameter for the system control and protection.

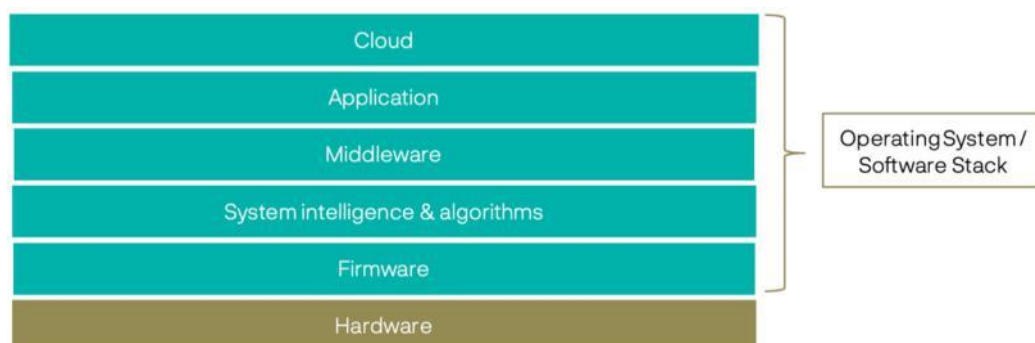
Motor converts electrical energy into mechanical energy resulting in propulsion of the vehicle. It governs the start/stop motion of the motor, forward/reverse rotation, selection and regulation of speed, regulation of torque, and protects against overloads and fault. Motor also has a controller that governs its performance basis the prestored mechanism. The motor controller, also called the inverter, regulates the amount of power applied to the motor basis the throttle input/movement.

Based on the integration of the motor in the vehicle, the motors can be classified into two types: hub motors and frame mounted (mid-drive) motors. Hub motors are easy to maintain and avoid wear and tear on gears/belts. Besides, hub-motor bikes are simpler in design and lower in cost. However, there are several factors that impact vehicle performance, handling and dynamics while using the hub motors. Hub motors are exposed to water, dust and mud owing to their lower position near the wheel. This impacts the durability and longevity of hub motors. Whereas mid-drive motors are placed into the scooter's frame, protected by the body, and isolated from road shocks by the suspension

Additionally, the penetration of advanced software systems has converted two-wheelers into a high-tech machine on wheels enhancing drivers' experiences and improving safety systems. The software powered vehicles bear striking resemblance to smartphones or computers on wheels with multiple layers of specialized software modules working in harmony.

A software stack is a collection of independent components that work together to support the execution of an application. The components include firmware, algorithms, middleware, applications and cloud layer stacked one on top of each other in a hierarchy. Typically, the lower-level software layers interact with hardware, while the higher-level layers in the hierarchy perform specific tasks and services for the end user through the cloud.

Software stack in automotive



Source: Crisil Intelligence

App integration in E2Ws

E2Ws in India are integrated with respective OEM apps to perform various functionalities like check ride statistics, battery status, charging status, locating charging stations and keep a check on overall performance on the E2W. The Ather app has the highest ratings amongst the apps of key E2W players in India.

Overview of Lithium-ion Battery technology

Lithium-ion battery is the most critical component of the EV powertrain that stores and distributes energy necessary for the operation of a vehicle along with powering other systems. A typical battery pack consists of battery cells / modules, battery management system (BMS), thermal management systems and other minor components. Battery cells form the base unit of the battery which are made by inserting anode, cathode, electrolyte, and separator into a metal case. Battery module is an assembly of battery cells put together in a frame which protects them from external damage, heat, and vibrations. These modules along with other components like BMS, peripherals, etc. make a battery pack. The number of modules and cells would depend on the size of the battery pack.

Battery Chemistry

Battery chemistry plays a key role in delivering optimal performance in automotive applications. India compared to developed markets, has a different climate, terrain and driving conditions and hence demands a chemistry that is best in terms of reliability, safety, and performance. Further, an ideal battery chemistry should offer higher energy density, long cycle life, and fast charging capability. The five large-scale commercialized chemistries are LCO, LMO, LFP, NMC, and NCA. The most common versions of lithium-ion batteries that have proven to be the most suitable and viable for automobiles in India are LFP, NMC and NCA.

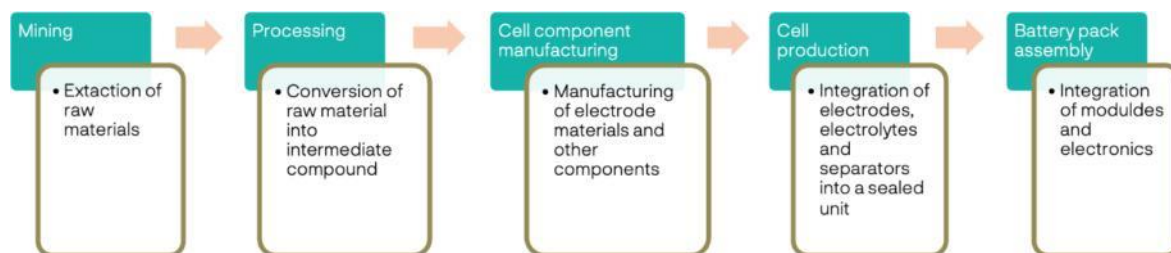
Electric two-wheelers with high range require high energy density, hence Nickel based chemistries are dominant presently. While LFP has a longer cycle life and lower cost, it has a lower energy density. The cost of LFP battery cells is lower than NMC/NCA battery cells. In 2024, LFP battery cells were approximately 30% cheaper than NMC battery cells.

LFP is a less mineral intensive chemistry (need of critical raw materials like Lithium, Nickel, Cobalt, and Manganese is lower), hence it would help OEMs to overcome the supply chain challenges rising from the supply shortage of critical raw materials. LFP battery production has a lower environmental impact as compared to NMC batteries.

With more vehicles being introduced in the market at lower price points, LFP with its lower cost and less risky supply chain is anticipated to be used more widely in E2Ws. For instance, the recently launched Ampere Nexus e-scooter utilizes an LFP battery and recently announced Suzuki e-Access will also utilize an LFP battery.

Supply Chain

Battery supply chain involves six major manufacturing stages where multiple components are assembled to create a battery pack. These six stages are cathode manufacturing, anode manufacturing, electrolyte, separator, cell assembly and battery pack assembly. Under each of these stages, multiple operations are performed including mining, refining, and processing. Multiple stakeholders like mining companies, refineries, cell component manufacturers, cell manufacturers, suppliers and OEMs are involved in the EV battery supply chain, making it complex and extensive.



The value addition of each manufacturing stage in the supply chain is different. Industry estimates show that battery cells, including materials and manufacturing, account for almost 70%-80% of the total cost of a battery pack. The assembly of the cells into a complete battery pack accounts for the remaining 20%-30% of the total cost.

The current capability in India is restricted to pack assembly. However, with the advent of gigafactories in India, the cell production capability will be established going forward. Creating gigafactories for cell production technologically complicated and capital-intensive process. However, the value addition due to cell production only contributes to 17-27% of the overall battery cost. The most value is captured in cathode and anode material manufacturing. In this stage, raw materials contribute significantly to the overall manufacturing process. This makes the extraction and processing of battery minerals a highly strategic sector.

Access to critical minerals like lithium, nickel, cobalt, and manganese is imperative for India to localize EV value chain, and this is a major challenge for cathode/anode manufacturing in India. Lithium is used in all existing battery chemistries and India is import dependent for this mineral. Although India recently discovered lithium deposits in the country, the commissioning of mines and extraction might be a long way away for India.

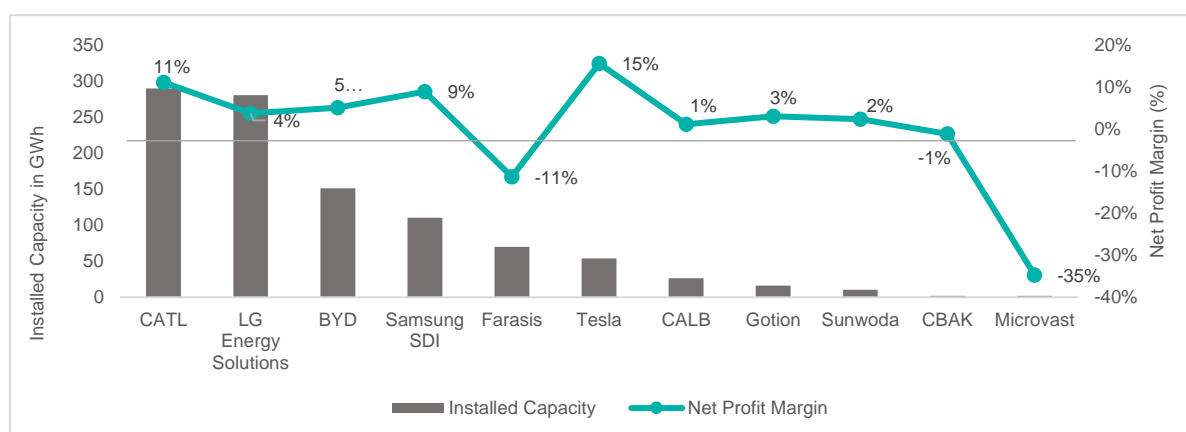
While cell manufacturing is still in nascent stages in India, with the establishment of gigafactories under PLI ACC this is expected to pick up. During that time access to raw material (cathode and anode minerals) could become a major potential obstacle, when cell manufacturing is expected to be ramped up to a higher capacity and higher local content percentages would be required. Thus, ensuring access to raw materials will become increasingly important and de-risking strategies should be in place to mitigate any potential supply chain disruption. Raw materials contribute significantly to cell production cost by over 60%. Because India being import dependent for many of the raw materials, future gigafactories may face pricing pressures from raw material suppliers and EV manufacturers.

The government through various schemes including PLI ACC, FAME, PMP is aiming to bolster the local EV battery manufacturing supply chain. This had provided an impetus for domestic OEMs and suppliers to set up a battery manufacturing plant in the country. In the first round of PLI ACC, a total of 30 GWh were awarded to Rajesh Exports (5 GWh), Ola Electric Mobility (20 GWh), and Reliance New Energy (5 GWh) in 2022 for setting up battery manufacturing plant in India.

Scale is crucial to make economics work for cell manufacturing

Demand potential is a key factor for cell manufacturers. This guaranteed demand is essential in capital-intensive projects, such as gigafactories for cell manufacturing and cathode manufacturing plants. Further guaranteed offtake is a key metric to gain access to private capital. Across the battery supply chain, access to private markets and capital is essential, given the high upfront capital required, including R&D and technology costs in the battery business. For example, Tata is planning to build a 40GW battery cell gigafactory in the United Kingdom (UK) with an investment over GBP4 billion (USD 5.2 billion) to supply EV batteries for their luxury passenger vehicle arm, JLR. European battery cell manufacturer ACC (Automotive Cells Company), a joint venture between Stellantis, Mercedes Benz and Total Energies, has raised EUR 4.4 billion (USD 4.7 billion) in February 2024, aimed at supporting the construction of three gigafactories for lithium-ion battery cell production in France, Germany, and Italy. These figures indicate the higher CAPEX need for and importance of private capital in the battery manufacturing supply chain.

Gigafactory net profit margin assessment and installed capacity (2023)



Source: Crisil Intelligence, Company annual reports

With many Indian OEMs and suppliers venturing into battery cell production, the scale of manufacturing will be a critical factor impacting profitability. In addition to that raw material availability and its pricing will also impact profitability.

Pureplay battery suppliers like CATL and Samsung SDI had a net profit margin in 9-11% range. EV OEMs like Tesla and BYD have a positive net margin, however, most of their revenue comes from automotive vehicle related business. Other battery suppliers including LG Energy Solutions, CALB and Gotion have a net profit margin in the range of 1-4%. This indicates that scale of manufacturing is amongst the key factors which impact profitability of cell manufacturing apart from pricing and other supply chain related parameters.

Going forward, India will need approximately 40-45 GWh battery capacity for E2Ws by fiscal 2031. Depending on the battery technology chosen, the capex required to install 1GWh of battery capacity can range between USD 60 to 100 million.

Success in EVs

Technology (Vertical integration/design control of key components)

Traditionally, companies have relied on multiple suppliers for raw material, technology, and components. A vertically integrated approach refers to taking ownership of the technology of key components and software of the vehicle. Alternatively, it can also refer to taking ownership of multiple steps in the supply chain and integrating them into the business. Vertical integration involves taking greater control of upstream or downstream operations by developing internal expertise or through acquisitions of capabilities which were traditionally being outsourced. However, vertical integration requires higher expenditure to build capabilities in-house and not all the components or in-house processes can drive higher return-on-investment (ROI).

Below are a few advantages of vertical integration:

- **Control of the supply chain:** Vertical integration gives a company control over the design and manufacturing process. It can reduce its reliance on external suppliers by owning and controlling certain aspects of the overall process. This also speeds up the creation of a new product as dependencies on external stakeholders are reduced and helps them to meet the changing demands of their customers. It gives companies a competitive edge over their competitors as well as manage costs and time to market.
- **Lower unit costs:** It allows the company to control the design hence reducing wastes that occur due to standard designs for multiple customers.
- **Control of user experience:** Vertical integration of the design enables companies to better control the user experience offered by the product as the number of interfaces that have to be managed with external suppliers are fewer.
- **Faster time to market:** This approach enables OEMs to introduce technological advancements in the market at an accelerated pace.

- Better coordination: Through vertical integration, companies can monitor, manage, and control the various operations within their supply chain.

Software capabilities and revenue stream

Software has been a key driver for EV adoption, and it enabled confidence among the EV riders where they can be sure of the statistics and condition of the underlying technology so that they can take decisions regarding their ride accordingly. Further software opened possibilities of connectivity, smartphone integration and LTE services which augmented the riding experience. For example, an ICE scooter still uses turn-by-turn navigation which is enabled through smartphone, whereas EV scooters have in-built navigation and access to Google Maps. While software is used to some extent in ICE vehicles to control the engine functionalities, these are not interactive, or rider enabled. In EVs, riders can choose their driving mode based on the required performance.

Revenue stream in traditional automotive business were through vehicles sales, accessory sales, and aftermarket. With vehicles being electric and software driven, the OEMs have identified recurring revenue opportunities in the software side through selling customer experiences by monetizing certain features and functionality in a vehicle. Software which enables features and functionality in EVs are now becoming a key revenue stream for OEMs. Software offers potential to OEMs are introducing various business models to monetize the software opportunity through subscription, pay-per-use and one time purchase models.

Quality and testing

Battery health: Understanding and effectively managing battery health holds significant importance in the lifecycle of electric vehicles for better performance. Also, it impacts the residual value of the vehicle, a critical aspect impacting the overall cost and investment value.

Testing: Battery testing is crucial for ensuring the durability and safety of batteries before they are integrated into vehicles. It ensures products meet performance expectations and are safe for consumers. Additionally, data from the battery testing serves as an input for R&D purposes where it supports in preparing batteries with optimal performance.

Software reliability and predictable performance: Reliable software is less open to security breaches as there are regular updates to the software including that to data security, which help in reducing the risk of data breaches. Predictable performances help manufacturers to plan efficiently on how the software will perform under different conditions and will help in predicting further updates or changes required in the vehicle functionality.

Software-hardware integration: Seamless coordination between the software and hardware ensures safe, efficient, and smooth vehicle operation.

Supply Chain Resilience

Semiconductors are the brain of modern electronics and serve as the basic building block of most electronic circuits. Currently, India is highly dependent on imports for its semiconductor needs. India has witnessed notable advancements and strategic transitions aimed at creating a self-sufficient semiconductor ecosystem, through substantial governmental support, strategic collaborations on an international scale, and an emphasis on constructing a holistic ecosystem.

Unit economics and cash burn rate

Cash burn is a common phenomenon in the pre-scaling stage of new age companies. Cash burn refers to the situation where the company is spending more money than it is generating. In the pre-scaling stage, companies are typically focused on developing their products, building capabilities, establishing their brand and may also need to invest heavily in infrastructure such as manufacturing equipment as well as hiring employees. These investments are essential for future growth and may result in negative cash flow over a period of time. Eventually the cash burn rate reduces as companies become EBITDA positive. Factors such as COGS, capital expenses, and operational expenses can impact cash burn.

Positive unit economics is a crucial success factor for reducing cash burn and sustaining an EV manufacturing business. By producing and selling a large number of EVs at healthy margins, manufacturers can reduce their unit costs and improve their unit economics. Vehicle prices and cost of goods sold (COGS) per vehicle can have a significant impact on unit economics.

Tesla is one of the notable examples of a pure play EV company transitioning from a cash burn phase to profitability. Tesla has focused on reducing unit costs per vehicle and has continued to do so even after achieving profitability. However, prior to being profitable, Tesla had a phase of cash burn. A similar phenomenon is being observed for EV manufacturing in India, more evidently in the pure play EV players who are currently in the cash burn phase.

The below figures indicate that the cash burn occurs in the pre-scaling stages. By managing cash burn effectively and focusing on unit economics, companies can ensure their long-term profitability and sustainability.

| | Tesla | Livewire | Ather Energy | Ola Electric |
|--|---|----------------------------------|------------------------------------|-------------------------------------|
| Founding year | 2003 | 2021 | 2013 | 2017 |
| Year from which revenue generation started | CY2007 | CY2020 | FY2019 | FY2021 |
| Period considered (till EBITDA positive / Till date) | CY2007-CY2012 (EBITDA positive in CY2013) | CY2020-CY2024 (latest till date) | FY2019-9MFY2025 (latest till date) | FY2021-H1 FY2025 (latest till date) |
| Cumulative cash burn | (1,269.8) | (444.1) | (386.8) | (922.8) |
| Cash burn rate | (1.5) | (2.5) | (0.6) | (0.7) |

Note:

- For Tesla and Livewire financials are reported in calendar year (CY) terms. Hence cumulative cash burn is sum of CYs. and 9M refers to period between April and December in FY.
- For Ola Electric Mobility and Ather Energy, financials are reported in financial year (FY) terms. Hence cumulative cash burn is sum of FYs. H1 refers to period between April and September in FY and 9M refers to period between April and December in FY.
- Tesla turned EBITDA positive in 2013 and had a negative cash burn till 2012.
- Cash burn is calculated as sum of net cash flow from operations and outflow of capital expenditure on plant, property, and equipment (PPE) and intangibles. The cash burn rate is calculated as - total cash burn during the selected period / total revenue accrued during the period.
- Cumulative cash burn reported for Ather Energy and Ola Electric Mobility are converted from INR to USD considering 1 USD = INR 87.01.
- Cash burn rate is the ratio between cumulative cash burn and cumulative revenue between the periods stated above.

Source: Company annual reports

Key Electric Two-Wheeler (E2W) Player Profiles

Bajaj Auto Limited

Bajaj Auto established Chetak Technology Limited (CTL), a 100% subsidiary of Bajaj Auto formed on 4th October 2021, to focus on the development of new technologies and products in the electric two-wheeler space.

Rise of Chetak and Market Share

Chetak has progressively scaled up from 3,000 units in month of March 2023 to 16,000 units in month of March 2024. Chetak delivered its highest numbers of nearly 40,000 units in the Q4 fiscal 2024 with a significant share gain, moved from 5% by the end of the previous year to 13% by the end of fiscal 2024. This was majorly due to the steady progress made by the company over fiscal 2024 on network expansion, innovation, and branding activities. Overall, Chetak sold more than 1 lakh units in fiscal 2024, almost 3 times its volumes of fiscal 2023. Chetak recorded a remarkable growth in electric two-wheeler sales, increasing from 65,813 units in Apr – Dec of fiscal 2024 to 152,789 units in Apr – Dec of fiscal 2025, marking a 132% increase over the period.

Chetak distribution network

Chetak was launched on January 14, 2020. Chetak models are offered through a network of over 250 Chetak exclusive dealers and over 3,000 Bajaj Motorcycle dealers which offers both ICE and Chetak vehicles as of December 31, 2024.

Value added services

Chetak's new variants provide new display, easy navigation, hill hold assist, etc. available with TecPac offering, while the standard offering gives Reverse Mode, limited app connectivity, On-Board charger, key fob to locate your ride instantly, etc. Chetak offers a warranty of 50,000 km or 3 years (whichever comes earlier) on the product and the Lithium-ion battery.

On financing side, attractive financing scheme options are provided to EV users such as low rate of interest, tenure upto 60 months, Zero processing charges and EMI lower than INR 100/day.

Charging infrastructure

Chetak's top variant Chetak Premium 2024 comes with an onboard charger and a charging cable. However, Chetak Urbane (2024) comes with an offboard charger as well. Chetak can be charged at a standard household outlet, or any other charging stations installed by Government and local administrative authorities and others which have 3 pin plug connectors.

Ola Electric Mobility Limited

Ola Electric holds largest market share in electric two-wheeler segment in India and has gone public with an Initial public offering (IPO) in August 2024.

They have been approved for both PLI schemes – one relating to the manufacturing of advanced automotive technology products (part of the Automobile PLI Scheme), and another relating to advanced cell chemistry batteries (the “Cell PLI Scheme”). The company is also awarded with 20GWh capacity under the Cell PLI Scheme. Ola has brought about several innovations in the E2W industry by introducing several features like proximity unlock, cruise control, music playback, dashboard themes and voice commands.

Domestic sales of Ola E2W

Ola gained significant market share from 21% in fiscal 2023 to 35.1% in fiscal 2024 with a year-on-year growth of 115%. They have progressively scaled up from 209,655 units in Apr – Dec of fiscal 2024 to 287,467 units in Apr – Dec of fiscal 2025 registering a growth of 37% over the period.

Distribution network

Ola's network expanded to over 4,000 touchpoints situated across India, as of December 31, 2024. Customers can discover products, reserve test drives and pre-order and purchase EV scooters through the Ola Electric website and track the status of delivery and after-sales.

Value added services

Customers can subscribe to Ola Care and Ola Care+ programs for a fixed annual fee through the Ola Electric Website and the Ola Electric Companion app and receive services and assistance at home or any other locations. Ola Care provides free home servicing, free consumable (consumable replaced free of charge for non-accidental and non-insurance cases), Theft assistance and road assistance which includes free towing, on the spot puncture repair, medical assistance and more.

Ola has also introduced an 8-year or 80,000 km battery warranty at no extra cost. It also provides other benefits such as hassle-free battery replacement, 100% defect coverage, and transferable ownership. They also have MoveOS software pack that enables vehicle's features, driving modes and performance.

Ola Hyper charger

In addition to facilitating home charging through portable chargers, Ola is currently offering customers public charging facility via its charging network which comprised 288 hyper charging points and 978 standard charging points, as of October 16, 2024. Ola EV scooter owners can achieve a 50 km driving range on a 15-minute charge by using a hyper charger.

Ather Energy

Ather Energy was founded in 2013 and is headquartered in Bangalore, Karnataka. As of Apr-Dec of fiscal 2025, Ather was the fourth largest E2W manufacturer in India by sales volume, after Ola, TVS and Bajaj.

Ather Energy Ltd. is a pioneer in the E2W industry as they introduced the Ather 450 in 2018 with a top speed of 80 kmph, which was comparable to ICE scooters and the highest among E2W in India in 2018. They also introduced connected features and cloud integration through a 3G SIM card for the first time in the E2W industry in India. In 2024 Ather Energy launched a new range of 'Rizta' scooters targeting the family convenience segment. It features a large seat, WhatsApp notifications on the vehicle dashboard, voice commands through Alexa Skills and up to 56L of storage space. It has also introduced traction control which is a segment first feature in the E2W market. Rizta was awarded with Autocar electric 2W of the year award in Autocar Awards 2025.

Ather Energy has brought about several firsts in the E2W industry by introducing features like touchscreen dashboard with navigation, internet connectivity via 3G SIM, aluminum chassis, fast charging and guide-me-home lights. They have also introduced several industry first features such as traction control, fall safe, cloud integration, OTA updates (Over-The-Air), ride statistics on app, through their software package, AtherStack. Ather was also the first OEM to introduce an electric scooter with a high speed of 80 kmph, first OEM to establish its own fast charging network (Ather Grid) and also the first OEM to develop a smart helmet (Halo).

Ather Energy's manufacturing facility is located at Hosur, Tamil Nadu. They are also planning to set up another manufacturing plant in Maharashtra state (Chhatrapati Sambhaji Nagar district), which has a high E2W penetration and has a strong automotive supplier base.

Sales in Fiscal 2024 and Apr – Dec of fiscal 2025

In fiscal 2024, Ather Energy's sales grew by 39.3% year-on-year to cross the 1 lakh unit mark. Ather's market share witnessed a growth of 25% year-on-year in Apr – Dec of fiscal 2025 with the 90,351 units sold compared to 71,973 units sold during the same period in Apr - Dec fiscal 2024.

Distribution network

The company has built a strong dealer network with 265 Experience Centers (ECs) across India as on December 31, 2024. They also have a dealer network present in Nepal and Sri Lanka with 5 and 10 ECs respectively. Out of this 280 ECs globally, 3 ECs are Company Owned Company Operated (COCO).

Value added services

The company has launched two 'smart helmets' under the brand 'Halo' with light weight version called 'Halo Bit'. The helmet provides seamless connectivity and enhanced safety and is the first smart helmet designed and developed by an E2W OEM in India. They have also launched accessories like Tyre Pressure Monitoring System (TPMS), side – step and a storage solution Frunk. Ather sells its software and battery warranty via the Propack bundle which includes access to their AtherStack software and extended Ather Battery Protect warranty. These products can also be bought individually. The Ather Battery Protect is a comprehensive 5-year warranty plan that extends the battery's manufacturer warranty of 3 years by an additional 2 years.

Ather Grid

Ather Energy as part of its Ather Grid charging network, has a network of over 2,583 fast chargers in India, 22 in Nepal and 11 in Sri Lanka owned by Ather Energy as of December 31, 2024. Ather was the first two-wheeler OEM to establish a two-wheeler fast charging network in India in 2018 and has the widest footprint amongst two-wheeler fast charging networks in India. The charging network supported by the Ather Grid app allows EV owners to locate and check the availability of the nearest charging station in real time.

Ather also has the provision of neighborhood charging which provides access to AC charging points in shared private spaces such as apartment complexes, office, buildings, and tech parks.

TVS Motor Company Limited

TVS Motor Company manufactures the electric scooter, TVS iQube, which was launched in 2020. TVS Electric Mobility Limited (TVSEM), is 100% subsidiary of TVS motor. TVSEM was incorporated in December 2021 to undertake Electric Mobility business.

TVS Motor Company has brought about several innovations in the E2W industry by introducing features like viewing smartphone status on dashboard, auto reply while driving, DND mode, last parked vehicle location and has also launched an e-scooter with the largest ever battery pack in India, the TVS iQube ST with a 5.1 kWh battery pack.

Sales in Fiscal 2024 and Apr – Dec of fiscal 2025

TVS Electric scooter grew by 120% in fiscal 2024, as per VAHAN data and sales reached to 183,205 units in fiscal 2024 as compared to 82,116 units in fiscal 2023, making TVS the 2nd largest electric scooter player in the country by volumes. TVS recorded a remarkable growth in electric two-wheeler sales, increasing from 124,792 units in Apr – Dec of fiscal 2024 to 163,989 units in Apr – Dec of fiscal 2025, marking a 31% increase over the period.

TVS distribution network

TVS has about 900 dealer touchpoints across 400+ cities in India as of December 31, 2024 through which iQube sales is happening. Vehicle test ride, enquiry, or post sale services are available at TVS dealership through company trained sales and service team.

Value added services

TVS iQube provides Roadside assistance (at no cost for 1 year) in case of any support required while on the road. Their software stack of SmartXconnect offers a wide variety of connected features in the areas of vehicle health, safety, navigation, and infotainment.

Charging infrastructure

TVSM has tied up with Tata power and Jio BP for charging infrastructure. As of end of fiscal 2024, TVS iQube can be charged at any 2,000+ public charger which include regular AC charging network and a DC fast-charging network for E2Ws across the country. iQube comes with an easy to use, plug and play portable charger and charging cable that can be use at any standard 15A plug point to charge vehicle.

Eicher Motors Limited

Eicher Motors Limited (EML) is the listed parent Company of Royal Enfield, an iconic and one of the oldest motorcycle brands in continuous production.

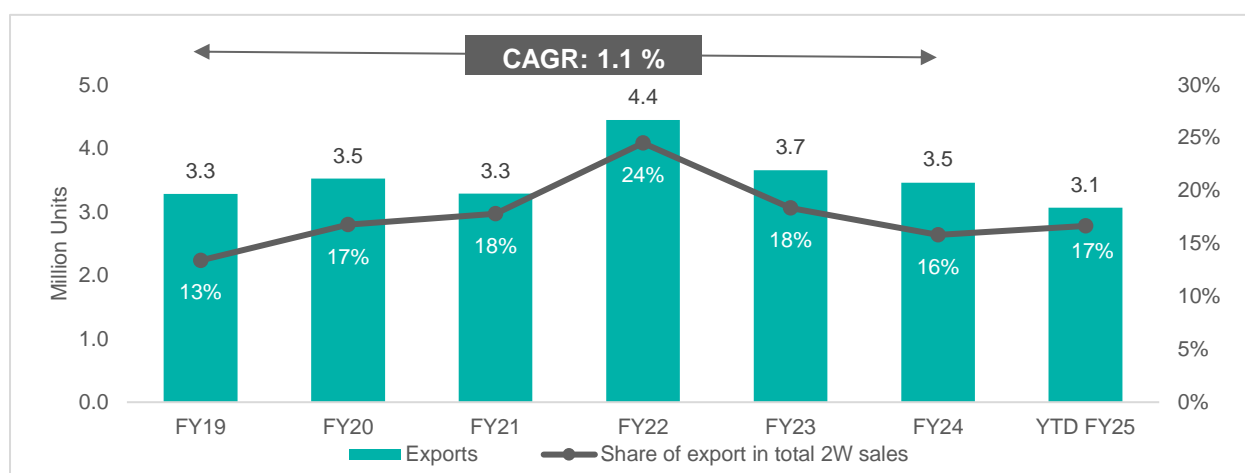
Royal Enfield showcased its first ever electric vehicle design concept, the Electric Himalayan Testbed, at the EICMA Motor Show 2023. It is expected to launch in India around by end of 2025. At EICMA 2024 Royal Enfield launched its electric vehicle brand Flying Flea. The first model in the Flying Flea range is called the FF-C6.

Review and Outlook of 2W Exports from India

In the last six years, between fiscal 2019-2024, two-wheeler industry exports rose at a moderate pace of 1% reaching volumes of 3.5 million in fiscal 2024. During the Apr-Dec period of fiscal 2025, exports account for ~17% of the overall two-wheeler sales in India.

During fiscal 2024, two-wheeler industry exports dropped by 5% further amidst continued focus on rising domestic market and slowdown in demand from major contributing geographies of Africa and Asia. In Apr-Dec of fiscal 2025, export clocked 3.1 million units.

Two-wheeler exports trend



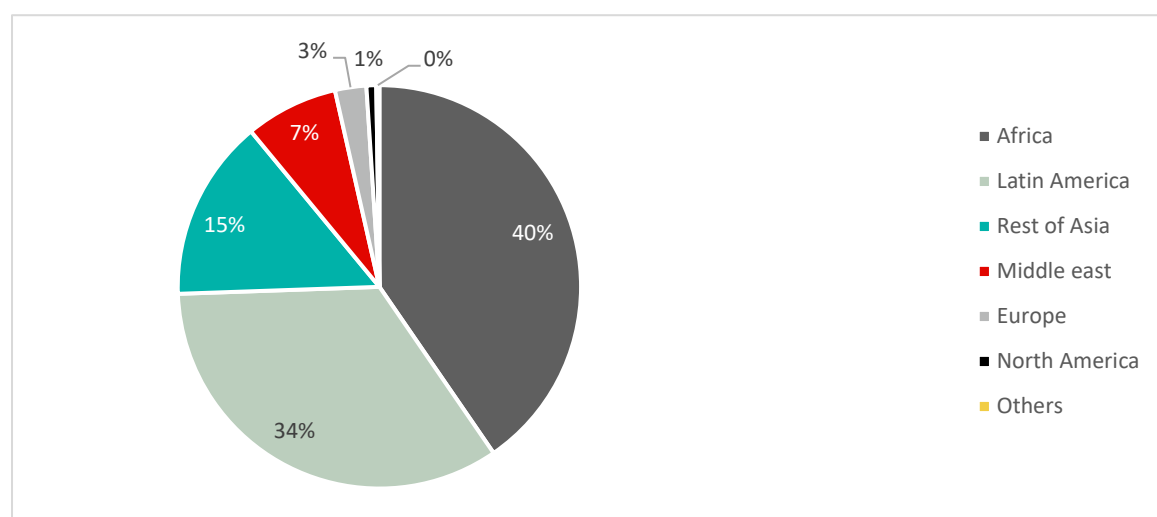
Note: Here YTD is Apr – Dec 2024

Source: SIAM, Crisil Intelligence

Two wheelers are primarily exported to developing countries from India with Africa contributing the major share. However, exports to Africa have been under pressure amidst the slowdown in their economy, sharp rise in inflation levels

and unavailability of forex in Nigeria, the leading two-wheeler importer from India. Contribution of Africa has reduced from 44% in fiscal 2023 to 40% in fiscal 2024.

Geographical split for Indian two-wheeler exports volumes (fiscal 2024)



Note: Rest of Asia: Entire Asia except Middle East

Source: Ministry of Commerce and Industry, Crisil Intelligence

ICE two-wheelers completely dominate the exports. However, in line with electrification in the domestic two-wheeler market, OEMs have started exporting EVs from India in the last 3 years. In fact, in fiscal 2024, EV exports rose 19x compared to EV exports in fiscal 2023.

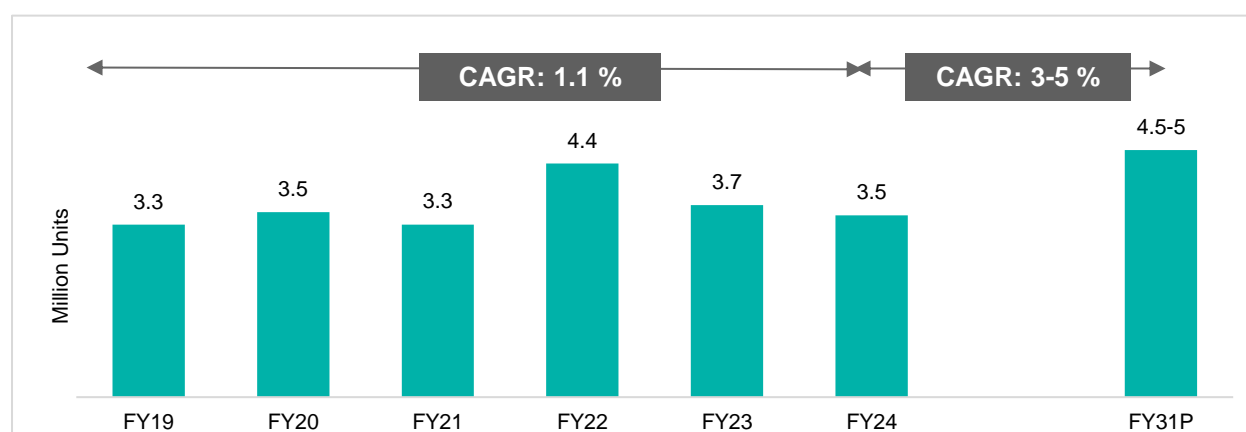
As of fiscal 2024, TVS, Ola and Ather are primarily exporting EVs from India. The EV exports are currently at a nascent stage, however, are expected to grow going ahead.

In Apr-Dec of fiscal 2025, TVS contributed majorly to the export of EVs from India, helping increase the share of EVs from 0.05% in fiscal 2024 to 0.18% in Apr-Dec of fiscal 2025. Ather Energy's contribution towards EV exports has also increased significantly in Apr-Dec fiscal 2025.

Exports Outlook

Two-wheeler exports from India grew at a moderate pace of 1.1% CAGR during fiscal 2019 to fiscal 2024. Going ahead, Crisil Intelligence expects the industry growth to grow at a faster pace of 3-5% CAGR to reach 4.5-5 million levels by fiscal 2031.

Two-wheeler exports outlook



Source: SIAM, Crisil Intelligence

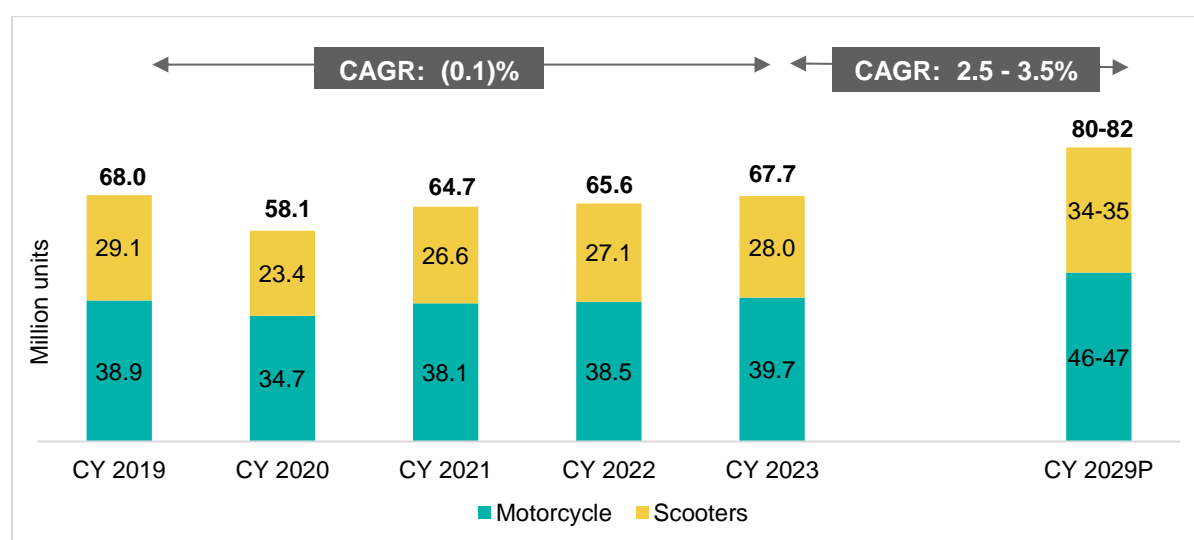
India being one of the largest two-wheeler domestic markets globally, has a unique opportunity to leverage its domestic market scale and manufacturing competitiveness to produce electric two-wheelers not just for the domestic market but also for the exports markets. Additionally, the growing demand for eco-friendly and sustainable transportation options globally is expected to provide the fillip to e-two-wheelers demand going forward. Countries like Nepal, which have a strong dependence on India for their two-wheeler imports, have declared high electrification targets of 90% EV penetration in all private passenger vehicles sales (including 2W) by 2030. They have also reduced import duties on EVs, ranging from 25% to 90% (import duties for gas and diesel fueled vehicles are 276% and 329%). Such initiatives will aid the Indian E2W exports demand going ahead.

Global Industry Outlook

The global two-wheeler industry sales are expected to grow at an accelerated pace of 2.5-3.5% CAGR till CY2029 compared to a 0.1% CAGR contraction witnessed during CY2019-2023 period. Improvement in economic conditions, rising demand from underlying segments like e commerce, ride hailing coupled with increased traction for EVs to support this demand growth. Sales volumes are projected to reach 80-82 million levels by CY2029.

Rising electrification is projected to support faster growth of scooters at 3-4% CAGR. Motorcycles are projected to grow at a slightly slower pace of 2-3% CAGR from an elevated base.

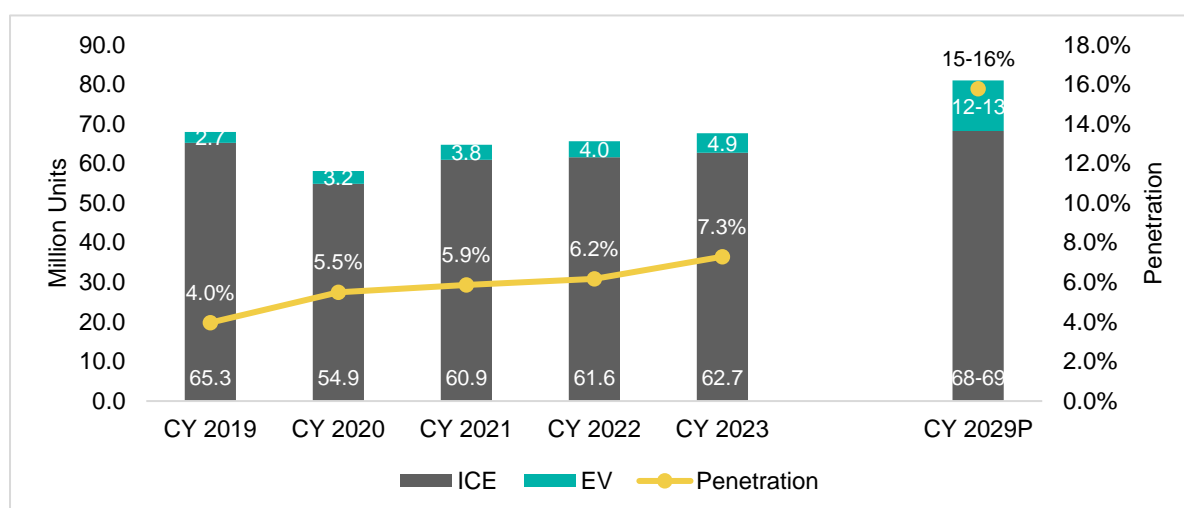
Global two-wheeler sales volumes outlook



Source: MORDOR data

Amidst the continued push from governments, increasing awareness, expanding vehicle portfolio is expected to provide a fillip to electrification growth going forward. Globally, the EV penetration is expected to reach 15-16% levels by CY2029.

Global two-wheeler sales powertrain split outlook



Source: MORDOR data

India's leadership in electric 2W technology

India is the largest 2W market in the world (by sales volume). Unlike ICE vehicles, wherein the technology was developed outside India and then brought to India through joint ventures, Indian OEM's have been investing heavily in R&D and developing the core technology of EV products.

Electric scooters manufactured in India offer a higher number of features and similar performance, compared to majority of global peers. For example, Indian electric scooters offer features like on-board navigation, ride statistics, geo-fencing, and hill-hold technology.

Challenges to the Electric Two-Wheeler (E2W) Industry in India

There are certain potential challenges that players in the Indian E2W industry like Ather Energy, Ola Electric Mobility, TVS Motors, Bajaj Auto, Hero MotoCorp etc. could face in the near future. These challenges will players differently based on their respective strategies:

1. Demand Side

- *Slowdown in economic activities impacting buying decision*

India's GDP growth is projected to be 6.5% for fiscal 2025, moderated from 6.8% and is expected to grow at a CAGR of 6% to 8% between fiscals 2024 and fiscal 2029. Any further moderation to GDP growth may have an impact on the incomes of people at large and hence the decision to buy two-wheelers.

- *Above or below normal monsoons*

We have considered a normal monsoon scenario while forecasting domestic sales till fiscal 2031. If rains are not normal then farm activities and farming output could be impacted which could adversely affect farm related incomes, rural sentiments, food prices and thereby inflation. This could directly impact demand for overall two-wheelers.

- *Lower Awareness*

Over and above the environmental benefits, EVs offer notable gains over their ICE counterparts. However, limited awareness and understanding of these benefits restricts the mass scale adoption of EVs.

- *Increase in vehicle cost of acquisition*

The cost of vehicle acquisition rises when OEMs transfer the impact of increased manufacturing costs to the customers. In the past, the industry has seen price hikes owing to several reasons like increase in raw material prices and general inflationary hikes. These are also likely to push vehicle prices upwards going forward.

It is also expected that going forward battery prices will further decline, and economies of scale will help EV OEMs to achieve profitability, thereby the price hikes might be nominal. However, there could be a scenario of potential supply chain shocks leading to rise in/ flattish battery prices, or a scenario of lower economies of scale, which might impact overall E2W costs and prices.

Also, the cost of acquisition for E2Ws would continue to remain higher than their ICE counterparts over the next few years, which could continue to be a barrier to purchasing.

- *Vehicle Financing and Resale*

Vehicle finance rates are also pivotal in determining affordability and cost of ownership for E2W customers. While financiers have started to offer financing products for E2W, the uncertainty about the vehicle resale values is still a barrier as it impacts the confidence of financiers who aim for higher tenors. Due to relatively lower loan tenors being offered, the effective monthly EMI increases for the customers, leading to higher monthly outgo, thereby posing a barrier to purchase.

Given that the battery contributes the majority of vehicle cost, there is still an uncertainty about the battery valuation, battery health/life and the overall resale value calculation for E2Ws. The overall EV resale ecosystem itself remains one of the biggest unknowns for the segment.

- *Increase in traffic density on account of increasing congestion*

Increasing traffic congestion on roads especially in urban centers is leading to longer transit times, which is also causing a rise in air pollution due to excessive burning of fuel. This problem is leading to more and more people preferring to use public modes of transport, and is also driving the growth of public transport systems like metro, e-buses, ride hailing etc. The traffic congestion is expected to rise further owing to rapid urbanization, which could lead to customers deferring personal vehicle purchases going forward.

- *Charging Infrastructure*

One of the major hurdles in adoption of EVs in India is the unavailability and slow development of public charging infrastructure. While E2Ws are sold with dedicated personal chargers, currently India has limited public charging infrastructure which poses a threat to mass scale adoption of EVs in the country. This is primarily because of range anxiety and anxiety of being unable to find a functional charger in case of sudden need.

- *Policy Uncertainty*

Central policies like FAME, EMPS PM e-Drive, and state wise subsidies, still have a direct impact on the electric vehicle sales in India. Uncertainty around these policies greatly influence E2W retails on a regular basis and absence of subsidies have impacted their retails in the past. It is unknown as to when customer buying will become stable in the absence of any kind of subsidies.

- *Network Spread*

Currently E2Ws are present at much lesser number of outlets as compared to ICE 2Ws in India. The number of customer touchpoints, both of sales as well as service, that cater to E2Ws, have a much-restricted geographical spread as compared to ICE 2Ws. While the OEMs are actively expanding their dealer networks for selling and servicing E2Ws, it will be a few years before they are able to match up the scale of the existing ICE 2W network. This could act as a barrier to adoption as customers might be wary of purchasing an E2W due to uncertainty of services for repairs or maintenance in vicinity in case of breakdowns.

2. Supply Side

- *Dependence on imports for key raw materials*

Many OEMs in India are still dependent on suppliers based out of locations outside India for critical components including transmission systems, electronics, semi-conductors, magnets, rare earth materials etc. to name a few. Metals like lithium, magnesium, cobalt, nickel, etc. are needed for manufacturing EV batteries. Countries deficient in these resources need to depend on imports for manufacturing EVs from limited countries that possess the production capability as well as control the mines for these elements. Imports increase the cost of procurement of raw materials and hence overall cost of EVs.

Also, any unprecedented global event could further elevate the raw material prices along with disrupting the entire supply chain for the same. Currently, India is highly dependent on imports for Lithium-ion cells and the dependency on imports along with the lack of robust supply chain network threatens the current supply of the batteries. While India recently discovered Lithium reserves in the country, commercialization and setting up the production capabilities of the same will take time, thereby making India dependent on imports for the medium term.

While many EV suppliers have reached domestic content requirement as mentioned by the government, there are still a lot of component parts that need to be imported. For example, permanent magnets in electric motors, semiconductor chips, electronic child parts, and printed circuit boards (PCBs). Capability of Indian OEMs to manufacture and design these complex systems is currently limited owing to limited technical expertise, less availability of raw materials and intense investment requirement.

The government is trying to reduce dependence on these imports by driving several initiatives like Make in India, Atmanirbhar Campaign, PMP, PLI scheme, Custom Duty elimination and enabling FDI across sectors, but it may take some time for the OEMs to localize. Until then dependence on imports for certain components will continue to carry an inherent risk from supply, pricing and other risks which may emanate out of global macro-economic situations.

- *Geo-political and supply chain risks*

India is currently dependent on global markets, including China, for the import of battery cells. China dominates the global battery supply chain, from mineral processing to cell component manufacturing and cell manufacturing. Although China has less control over mineral extraction, mineral processing is dominated by China. When it comes to extraction of minerals, there is global concentration of Lithium reserves in Bolivia, Chile, Argentina and Australia; of Cobalt reserves in Democratic Republic of Congo; of copper reserves in Peru, Chile and Australia; and of Nickel reserves in Indonesia, Brazil, Australia and Philippines.

India is highly dependent on China for battery cell, raw materials and semi-conductors. This makes India vulnerable to geo-political and supply chain risks. During the pandemic, the world faced semi-conductor shortage due to lockdowns in China and disruptions of operations in other supplier countries. Any similar global incidents, like pandemics, may greatly impact the electric vehicle industry in India in the future.

- *Commodity and input material prices*

The INR/USD exchange rate also directly impacts the input costs and fuel prices. A weak INR exchange rate puts the burden on OEMs for deciding whether or not to pass on the costs to the consumer. Often these fluctuations are absorbed by the OEMs which may negatively impact their overall margins.

For example, pricing and availability of commodities like steel and aluminum can be volatile due to numerous factors beyond our control, including general domestic and international economic conditions, geopolitical tensions, extreme weather shocks, import duties and tariffs and foreign currency exchange rates.

- *Availability of skilled manpower*

The automotive industry is undergoing continuous and rapid technological change in terms of introduction of new powertrains like electric, hybrid and CNG, battery technologies, lightweighting, enhanced safety, growth of embedded software technology and driver controls, etc. These continuous advancements have led to a constant demand for skilled manpower in the industry. Currently few OEMs are taking initiatives in developing the new age skills inhouse or participating in skill training initiatives by associating with various educational institutions and the government.

However, there will still be an ever-growing demand for skilled manpower as the electric vehicle industry will continue to undergo technological advancements in the future and hence availability of manpower could turn out to be a challenge in case of demand supply mismatch.

- *Technology risk*

With ever changing technology also comes the risk of obsolescence of older technologies. The automotive industry today faces the challenge of adapting newer technologies by either upgrading the older technologies or introducing new ones, thereby posing a risk in terms of capability development, investments, skill development, technology development and product development as well. For example, the field of battery technology is continuously evolving with current LFP and NMC battery technologies being challenged by newer technologies like solid state battery, LTO etc. Electric and hybrid technologies are also continuously evolving. Therefore, going forward, OEMs have to be cautious in terms of investing in technology and ensure positive yields.

- *Limited vehicle portfolio*

In the last 2-3 years, EV offerings of the industry increased multifold with entry of new players, expansion of legacy players into EVs as well as portfolio expansion by current players. Despite this, compared to the ICE portfolio, EV options are still at a nascent stage.

- *Localization norms*

The government is encouraging localization across sectors, especially in automotive sector via policies like PLI for Automotive Technology, PLI for Advanced Cell Chemistry, Phased Manufacturing Program, Atmanirbhar Bharat and Make in India. While the end goal of localization is to reduce import dependence, and bring down overall manufacturing costs, it also involves significant initial capital investments from several stakeholders within the automotive industry. While the government has designed the schemes to support investments by offering several subsidies and import duty benefits, there are still concerns around the meeting the eligibility criteria and availing the benefits. Going forward, simplification and better tracking of the policies will ensure localization in India.

- *Ad hoc changes in policies*

Another challenge that the industry is facing is frequent changes in policies which makes it difficult for auto industry stakeholders not only to ensure adherence but also commit investments. Overall policy stability and transparency will be required going forward to ensure smooth technology transition and localization in the country.

- *Increasing competition intensity*

Several new players have entered the E2W space in the last few years, and the competition is expected only to rise further as investments increase, along with newer technologies and new product launches. Most of the current OEMs have announced future launches and with the increased number of vehicle options in the market, it will be a challenge to acquire more and more customers for each OEM going forward.

Conclusion

The E2W industry is set to grow in the coming years with a CAGR of 41% to 44% and reach overall 2W industry penetration of 35%-40% by fiscal 2031. While there are some headwinds that could impact both the supply side and the demand side, Crisil Intelligence expects that long term policy support, expansion of product portfolio, and lowering battery prices leading to lowering of cost of acquisition and overall cost of ownership will lead to steady growth in the E2W industry.

OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, consists of certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. You should read the section “**Forward-Looking Statements**” on page 19 for a discussion of the risks and uncertainties related to those statements and the section “**Risk Factors**” on page 43 for a discussion of certain risks that may affect our business, financial condition, or results of operations.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information included in this Red Herring Prospectus beginning on page 359. Industry and market data used in this section have been extracted from the CRISIL Report and such excerpts may have been re-ordered by us for the purpose of presentation. The CRISIL Report has been commissioned by our Company exclusively in connection with the Offer for the purpose of confirming our understanding of the industry in which we operate. For further details and risks in relation to the CRISIL Report, see “**Risk Factors – We have used information from the CRISIL Report which we commissioned and paid for exclusively in relation to the Offer and any reliance on information therein is subject to inherent risks.**” on page 92. The CRISIL Report will form part of the material documents for inspection and is available on the website of our Company at <https://www.atherenergy.com/investor-relations/offer-documents>. The information in the following section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in “**Risk Factors**”, “**Industry Overview**”, “**Restated Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 43, 216, 359 and 436, respectively.*

Overview

Who We Are

We are a pioneer in the Indian electric two-wheeler (“**E2W**”) market, according to the CRISIL Report. We are a pure play EV company that sells E2Ws and the associated product ecosystem, comprised of our software, charging infrastructure and smart accessories, all of which are conceptualised and designed by us in India. Other than battery packs which are manufactured in-house and portable chargers and motors which are designed and manufactured by our suppliers, other key E2W components, such as motor controllers, transmissions, vehicle control units, dashboards, DC-DC converters, harnesses, and chassis are designed in-house and outsourced to suppliers for manufacturing. We developed all components of the Atherstack software that powers our products in-house. Our Company was founded by Tarun Sanjay Mehta and Swapnil Babanlal Jain in 2013, with a focus on product and technology development in India in order to build an E2W ecosystem. We sold 107,983 and 109,577 E2Ws in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. According to the CRISIL Report, we were the third and fourth largest player by volume of E2W sales in Fiscal Year 2024 and the nine months ended December 31, 2024, respectively.

We build products with a focus on quality and user experience. Our products are positioned at a premium price in their respective segments. We launched our first product, the Ather 450, in June 2018. With the Ather 450, we introduced connected features through a 3G SIM card, touchscreen dashboard, aluminium chassis and cloud integration for the first time in the E2W industry in India, according to the CRISIL Report. It was also the first E2W to offer a top speed of 80 kmph, comparable to internal combustion engine (“**ICE**”) scooters and had the highest top speed among E2Ws in India in 2018, according to the CRISIL Report. Our current E2W portfolio comprises two product lines – the Ather 450 line, which caters to customers seeking performance scooters, and the Ather Rizta line, which is targeted at customers seeking convenience scooters for their family. Launched in April 2024, the Ather Rizta features a large seat, WhatsApp notifications displayed on the vehicle dashboard, voice commands through Alexa Skills, up to 56 L of storage and introduced traction control to the Indian E2W market, according to the CRISIL Report.

Our E2Ws are complemented by our product ecosystem which comprises charging infrastructure, accessories and the Atherstack, our in-house developed software that powers our products. According to the CRISIL Report, we were the first two-wheeler (“**2W**”) OEM to establish a 2W fast charging network, the Ather Grid, in India. Our software, the Atherstack, introduced industry-first connected features such as Over-The-Air (“**OTA**”) updates and ride statistics on the Ather app, according to the CRISIL Report. It had 69 features as of December 31, 2024.

We have a vertically integrated approach to the design of our products and key technologies. This integrated approach is applicable to both our hardware and software, and has enabled us to pioneer several EV technological advancements. Through this approach towards design, we seek to establish new standards for performance, efficiency and user experience in the E2W market.

Our technological innovations are enabled by our in-house design and research and development (“**R&D**”) capabilities. Our R&D team had 731 on-roll employees, housed at three R&D facilities in Bengaluru, India, as of December 31, 2024. We had 46% of our total workforce dedicated to R&D as of December 31, 2024. As of February 28, 2025, globally, we had 303 registered trademarks, 201 registered designs and 45 registered patents, in addition to pending applications for 102 trademarks, 12 designs and 303 patents.

We assemble our E2Ws and manufacture our battery packs using lithium-ion cells sourced from suppliers at our manufacturing facilities located near Hosur, Tamil Nadu, India (the “**Hosur Factory**”). At the Hosur Factory, we had a total annual installed capacity of 420,000 units for E2Ws and 379,800 units for battery packs as of December 31, 2024. We are in the process of building the first phase of our Factory 3.0 in Chhatrapati Sambhajanagar (formerly Aurangabad), Maharashtra, India to expand our total installed production capacity to 1.42 million E2Ws upon completion of phase two. We operate an asset-light distribution model comprising experience centres and service centres operated by our third-party retail partners in India and through authorised distributors in Nepal and Sri Lanka. As of December 31, 2024, we had 265 experience centres and 233 service centres in India, five experience centres and four service centres in Nepal, and ten experience centres and one service centre in Sri Lanka. We place an emphasis on capital efficiency across our value chain and prioritise control over design and technology, while maintaining operational flexibility.

As a pure play EV company, our commitment to sustainable business practices is reflected in our environmental, social and governance (“**ESG**”) strategy, which focuses on strong governance, developing technologies that accelerate the transition to EVs, minimising environmental impact and investing in talent under a focused, single-company structure. Our corporate ESG committee, along with our code of ethics policy and policies on matters such as anti-bribery, anti-corruption and fraud prevention, aim to create a culture of responsibility and sustainability.

Market Opportunity

Unless otherwise indicated, industry and market data appearing in this section have been derived from the CRISIL Report.

India was the largest motorised 2W market by volume in the world in CY2023. Total domestic sales in Fiscal Year 2024 was 18.4 million units. In the nine months ended December 31, 2024, the India 2W market recorded sales of 15.3 million units, positioning itself for sustained growth in Fiscal Year 2025. This performance marks a 11% year-on-year increase compared to the nine months ended December 31, 2023. The Indian 2W market is expected to further grow at a CAGR of approximately ~7% between Fiscal Years 2024 and 2031 to reach a market size of 29 to 30 million in Fiscal Year 2031. Apart from domestic sales, Indian 2Ws are also exported. Such exports accounted for approximately 17% of the overall Indian 2W sales in the nine months ended December 31, 2024. Indian OEMs exported 3.1 million and 3.5 million 2Ws in the nine months ended December 31, 2024 and Fiscal Year 2024 respectively, primarily to Africa, Asia and North America.

India’s middle class is expected to grow to a population of 715 million by Fiscal Year 2031 from 432 million in Fiscal Year 2021. India’s per capita income is expected to grow at 9.2% CAGR over CY2024 to CY2029. The growth in per capita income and discretionary spending is expected to lead to a corresponding increase in the demand for premium products and experiences. There is a clear shift towards preferences for more premium vehicles within the 2W industry. For instance, in the last five years, the share of motorcycles and scooters with an engine capacity of 125cc and beyond, increased from approximately 38% and approximately 20% in Fiscal Year 2019, respectively to approximately 52% and approximately 47% in Fiscal Year 2024, respectively. In the nine months ended December 31, 2024, motorcycles and scooters with an engine capacity of 125cc and above accounted for approximately 53% and 48% of the market share by volume, respectively. Younger buyer profiles, new vehicles with attractive features launched at competitive rates, and increasing financing support have supported this premiumisation trend within the 2W industry.

An expanding E2W portfolio of technology-rich vehicles that are being launched at competitive rates has driven consumer interest in and accelerated the growth of E2Ws in India. E2Ws currently offer advanced technological features such as touch screen displays, Bluetooth and LTE connectivity. Further, E2Ws also offer a lower total

cost of ownership (“TCO”) as compared to ICE vehicles. In Fiscal 2025, the TCO of an E2W, including subsidies, was 52% lower than that of an ICE 2W for an annual running range of 8,000 km for the same period. Assuming that the current GST structure will continue to Fiscal Year 2032, and that some of the subsidies will be provided until Fiscal Year 2032, the acquisition cost (ex-showroom price) between an E2W and ICE 2W is projected to shrink to approximately 5% by Fiscal Year 2032.

In Fiscal Year 2024, E2W penetration rose to 5.1% and EV penetration in the scooter segment increased to 14.7%. In the nine months ended December 31, 2024, EV penetration reached around 5.5% with EV volumes totalling 0.84 million units. During this period, the share of e-scooters increased to 15.2%, underpinned by the continued policy support according to the CRISIL Report. This led to a decrease in the market share of ICE scooters to 84.8% in the nine months ended December 31, 2024 from 85.3% in Fiscal Year 2024.

However, reduction in the acquisition price gap, coupled with the wide range of technological features offered by E2Ws are expected to further drive EV penetration. Scooters are expected to lead the electrification of the 2W market in India, with the penetration of electric scooters expected to reach approximately 70% by Fiscal Year 2031 and the penetration of electric motorcycles expected to reach approximately 10% by Fiscal Year 2031. The E2W segment is expected to grow at a CAGR of approximately 41% to approximately 44% to reach a market size of approximately 10.3 million to approximately 12.3 million units by Fiscal Year 2031. Such expansion will make it one of the fastest growing segments in the automotive industry in India.

Moreover, with India being one of the largest 2W domestic markets globally, it has a unique opportunity to leverage its domestic market scale and manufacturing competitiveness for the export market. This, together with the industry-wide trend of electrification afford Indian E2Ws an opportunity to amass a larger share of the global 2W market. The global 2W market is expected to reach 80 to 82 million units by 2029.

The trends of electrification and premiumisation hence present a large domestic and international opportunity for E2W players. Quality, software capabilities, control over design of key components, unit economics and supply chain resilience are key factors for success in EVs.

Our emphasis on all of the above, coupled with our focused product strategy, position us well to capture the opportunities presented by the shifting consumer preferences and trends of electrification in India and globally.

Our Business Model

Our business model is founded on four key pillars: (i) our vertically integrated approach to design, (ii) our software-defined ecosystem, (iii) our premium positioning, and (iv) our capital efficient approach to business operations across the value chain. This business model is designed to deliver products focused on quality and user experience.



Products focused on Quality and User Experience



Vertically integrated approach
to designing our EVs

- ↑ Quality
- ↓ Cost and time to market



Premium positioning across
segments

- ↑ Higher average selling price
- ↑ Customer satisfaction



Our software-defined
ecosystem

- ↑ Differentiated experience
- ↑ Expansive feature set



Capital efficient approach
to business across the value
chain

- ↓ Cash burn
- ↑ Flexibility & agility

Our vertically integrated approach

We have a vertically integrated approach to design focused on delivering quality and user experience. We design and develop key components of our E2Ws, accessories and the Atherstack, the software that powers them, in-house. Our control over all key aspects of our product design enables us to quickly introduce new technologies and deliver an improved user experience. This approach also allows us to control critical aspects of our products' quality, such as battery life, thermal management, build quality and safety. We develop all our products in accordance with the Ather Product Development System ("APDS"). The APDS requires eight quality reviews prior to the launch of all our products. Our in-house designed hardware includes, but is not limited to, the vehicle architecture and chassis, battery packs and battery management system ("BMS"), vehicle control unit ("VCU"), touchscreen dashboard, motor controller, transmission, signal harness and fast charging system. Our commitment to the "Make in India" initiative is reflected in our comprehensive in-house development and manufacturing processes.

Our software-defined ecosystem

The Atherstack powers our product ecosystem and generates customer engagement by unlocking features related to navigation, analytics, ride assistance, safety and productivity, as well as integration with our charging infrastructure and smart accessories. As of December 31, 2024, our customers had access to 69 features of the Atherstack. The Ather app had the highest app ratings amongst key E2W players in India, scoring a 4.4 out of 5 on the Android app store and a 4.5 out of 5 the Apple app store, as at January 20, 2025, according to the CRISIL Report. In the nine months ended December 31, 2024 and in Fiscal Year 2024, 86% and 89% of our E2W owners purchased advanced Atherstack features respectively, while 61% of our users engaged with our connected software features at least once a week during both periods. Revenue from sales of the Atherstack software amounted to 6% and 6% of our revenue from operations in the nine months ended December 31, 2024 and in Fiscal Year 2024, respectively. Further, during the same periods, the Atherstack recorded an EBITDA% of 53% and 56%, respectively.

Our premium positioning across segments

Our products are focused on quality and user experience, and are positioned at a premium price within their respective segments in the Indian E2W market. We have developed our two E2W product lines – the Ather 450 series and the Ather Rizta – along with our software-defined ecosystem which includes our extensive charging infrastructure and smart accessories, with an aim to provide our customers with a quality user experience.

We introduced the Ather Grid in every city into which we expanded our distribution network through our retail partner-operated experience centres. Further, in March 2024, we entered into partnership agreement with Google Asia Pacific Pte. Ltd., pursuant to which Google Maps' customers are able to find Ather Grid locations along with their live status starting from July 25, 2024. Our experience centres are designed to provide a curated experience for potential customers. Additionally, our service network is designed to be accessible and efficient, with an average turnaround time of 4.8 hours for our standard periodic maintenance. In Fiscal Year 2024, we introduced our ExpressCare service, which offers expedited vehicle servicing within a maximum turnaround time of one hour for standard periodic maintenance.

Our products, despite being positioned at premium prices, recorded an increase in sales volumes to 107,983 in the nine months ended December 31, 2024 from 74,333 in the nine months ended December 31, 2023, and to 109,577 in Fiscal Year 2024 from 92,093 in Fiscal Year 2023 and 23,402 in Fiscal Year 2022. According to the CRISIL Report, we were the third and fourth largest E2W player by sales volume in Fiscal Year 2024 and the nine months ended December 31, 2024, respectively.

Our capital efficient approach across our value chain

We employ a capital efficient approach across our value chain with an emphasis on control over design and technology, while maintaining operational flexibility. Our prudent capital deployment approach is focused on ascertaining the reliability of our product platform through testing and achieving scalable cost structures before making higher investments to minimise risk. This focus has allowed us to reduce our up-front capital needs, promote cost savings and gain flexibility to adopt new technologies. It also allows us to leverage the expertise and scale of large technology companies for select components such as lithium-ion cells and semiconductors.

We operate an asset-light distribution model primarily comprising experience centres and service centres operated by third-party retail partners. This model reduces both our upfront capital investments and operational costs in our distribution network, in turn giving us the flexibility to adjust our distribution reach to respond to changes in customer demand and market trends.

Our Product Ecosystem

Our E2Ws

Our current E2W line-up comprises two product lines, the Ather 450 performance scooter line and the Ather Rizta convenience scooter line, with a total of seven variants. In January 2025, we introduced updated versions of the Ather 450 series, featuring performance enhancements such as multi-mode traction control and an increase of up to 14% in range for the Ather 450X 2.9 kWh variant, along with two new colour variants across our Ather 450 series.

Performance



Convenience



| | 450S | 450X (2.9 kWh) | 450X (3.7 kWh) | 450 APEX | | RIZTA ^S (2.9 kWh) | RIZTA ^S (2.9 kWh) | RIZTA ^S (3.7 kWh) |
|-----------|---------|-------------------|-------------------|-------------|--|---------------------------------|---------------------------------|---------------------------------|
| 0-40 km/h | 3.9s | 3.3s | 3.3s | 2.9s | | 4.7s | 4.7s | 4.7s |
| Top Speed | 90 km/h | 90 km/h | 90 km/h | 100 km/h | | 80 km/h | 80 km/h | 80 km/h |
| Range | 122 km | 126 km | 161 km | 157 km | | 123 km | 123 km | 159 km |

The following table sets forth a breakdown of our sales volume by vehicle model for the periods indicated.

| E2W Model | Nine months ended December 31, | | | Fiscal Year | | |
|--|--------------------------------|---------------|--|----------------|---------------|---------------|
| | 2024 | 2023 | | 2024 | 2023 | 2022 |
| | | | | (Units) | | |
| Ather 450S ⁽¹⁾ | 15,195 | 7,824 | | 22,712 | - | - |
| Ather 450X ⁽²⁾ | 1 | 39,028 | | 39,067 | 92,093 | 23,402 |
| Ather 450X (2.9 kWh) ⁽³⁾ | 8,286 | 8,697 | | 11,249 | - | - |
| Ather 450X (3.7 kWh) ⁽⁴⁾ | 25,835 | 18,784 | | 35,999 | - | - |
| Ather 450 Apex ⁽⁵⁾ | 2,015 | - | | 550 | - | - |
| Ather Rizta Z (2.9 kWh) ⁽⁶⁾ | 21,388 | - | | - | - | - |
| Ather Rizta Z (3.7 kWh) ⁽⁷⁾ | 19,341 | - | | - | - | - |
| Ather Rizta S ⁽⁸⁾ | 15,922 | - | | - | - | - |
| Total | 107,983 | 74,333 | | 109,557 | 92,093 | 23,402 |

Notes:

- (1) We recognised revenue from sales of Ather 450S starting in August 2023.
- (2) The Ather 450X with 2.9 kWh battery capacity was launched in January 2020 and was succeeded by the Ather 450X (Gen 3) with 3.7 kWh battery capacity launched in July 2022. Following that, the Ather 450X (Gen 3.1) was launched in January 2023. The Ather 450X (Gen 3.1) was succeeded by the Ather 450X (2.9 kWh) and Ather 450x (3.7 kWh) variants, launched in August 2023.
- (3) We recognised revenue from the Ather 450X (2.9 kWh) starting in August 2023.
- (4) We recognised revenue from the Ather 450X (3.7 kWh) starting in September 2023.
- (5) We recognised revenue from sales of Ather 450 Apex starting in February 2024.
- (6) We recognised revenue from sales of the Ather Rizta Z (2.9 kWh) starting in May 2024.
- (7) We recognised revenue from sales of the Ather Rizta Z (3.7 kWh) starting in July 2024.
- (8) We recognised revenue from sales of the Ather Rizta S starting in August 2024.

Atherstack

The Atherstack is our software that we developed in-house which exclusively powers all Ather products. As of December 31, 2024, the Atherstack offered 69 features related to navigation, analytics, ride assistance, safety and productivity, as well as integration with our charging infrastructure and smart accessories. The Atherstack comprises several layers of software which include algorithms, firmware, middleware, human machine interface (“HMI”), data platforms and mobile applications.

Upon purchase of an E2W, our customers have the option to purchase advanced Atherstack software features through the Pro Pack bundle. The Pro Pack is priced at a fixed fee ranging from ₹13,000 to ₹20,000, depending on the E2W model at the time of purchase. The Pro Pack unlocks Ride Assist features, such as traction control, AutoHold, and theft and tow alerts, and provides three-year access to Ather Connect features, such as live location sharing and access to OTA software updates. At the end of three years, customers have the option to pay a subscription charge to access or continue to access Ather Connect features.

Accessories

We have designed and developed accessories that are integrated with our product ecosystem to enhance the user experience. Our current accessory offerings include the Halo smart helmet, Halo Bit and tyre pressure monitoring system. Our Halo smart helmet offers wireless charging, seamless connectivity and a premium sound system, while maintaining safety standards. We also offer other in-house designed accessories, such as side-steps, body guards, seat covers and the Frunk (front storage) for our E2Ws. In addition, the Ather Rizta is equipped with additional accessories designed for convenience, such as a multipurpose charger, storage organiser and back rest.

Our Charging Infrastructure

According to the CRISIL Report, unavailability and slow development of charging infrastructure are barriers to the adoption of EVs in India. To address this issue, we have designed a comprehensive set of charging solutions for charging at home and on-the-go.

According to the CRISIL Report, we are the first 2W OEM to establish a 2W fast charging network in India in 2018 and the Ather Grid is India's widest 2W fast charging network, as at December 31, 2024. Our EV charging solutions comprise (i) the Ather Grid, a public charging network of 2,616 fast chargers and 666 neighbourhood chargers spread across 314 cities in India, Nepal and Sri Lanka, as of December 31, 2024, and (ii) our portable chargers for home charging, which are bundled and sold with our E2Ws.

We designed our own in-house charging connector technology, the Light Electric Combined Charging System ("LECCS") and protocol, for our fast charging network. We worked with various government bodies and the Bureau of Indian Standards ("BIS") to establish our LECCS and protocol as an official Indian standard with the aim of enabling interoperability. In August 2023, BIS published our LECCS as a standard IS17017 (Part2/Sec7) : 2023. In February 2024, BIS published the protocol as an official standard IS17017 (Part31) : 2024. As a result, any EV owner with an EV that uses the same charging standard, regardless of brand, is able to access our entire charging infrastructure through our Ather Grid app.

Our Technology and R&D

Our technology platform is composed of five key elements: (i) battery, (ii) powertrain (comprising the motor, controller and transmission), (iii) electronics, (iv) chassis, and (v) the Atherstack.

The following tables provide a breakdown of the cost of key E2W components for the Ather 450X (2.9 kWh) and Ather 450X (3.7 kWh) variants as a percentage of bill of materials ("BOM") for these respective variants as at the dates indicated.

| E2W Component | As of December 31, | | As of March 31, | |
|-------------------------------------|--------------------|-------------|-----------------|------|
| | 2024 | 2024 | 2023 | 2022 |
| Ather 450X (2.9 kWh) ⁽¹⁾ | | | | |
| Mechanical ⁽²⁾ | 37% | 35% | - | 34% |
| Battery pack ⁽³⁾ | 29% | 31% | - | 29% |
| Electronics ⁽⁴⁾ | 34% | 34% | - | 37% |
| Total | 100% | 100% | - | 100% |

Notes:

- (1) We first delivered the Ather 450X (which had a battery capacity of 2.9 kWh) in Fiscal Year 2021, which was succeeded by the Ather 450X (Gen 3) (3.7 kWh) in Fiscal Year 2023, before relaunching the Ather 450X (2.9 kWh) in Fiscal Year 2024.
- (2) Mechanical components comprise components such as transmission and chassis, which are designed in-house and manufactured by suppliers, and motors, which are designed and manufactured by our suppliers.
- (3) Battery components comprise battery packs (including BMS) which are designed and manufactured in-house.
- (4) Electronic components comprise components such as motor controllers, harnesses, DC-DC converters, VCUs and dashboards which are designed in-house and manufactured by suppliers, and portable chargers, which are designed and manufactured by our suppliers.

| E2W Component | As of December 31, | | As of March 31, | |
|-------------------------------------|--------------------|-------------|-----------------|------|
| | 2024 | 2024 | 2023 | 2022 |
| Ather 450X (3.7 kWh) ⁽¹⁾ | | | | |
| Mechanical ⁽²⁾ | 35% | 32% | 28% | - |
| Battery pack ⁽³⁾ | 32% | 33% | 40% | - |
| Electronics ⁽⁴⁾ | 33% | 35% | 32% | - |
| Total | 100% | 100% | 100% | - |

Notes:

- (1) We launched the Ather 450X (Gen 3) (3.7 kWh) in Fiscal Year 2023, which was succeeded by the Ather 450X (3.7 kWh) in Fiscal Year 2024.
- (2) Mechanical components comprise components such as transmission and chassis, which are designed in-house and manufactured by suppliers, and motors, which are designed and manufactured by our suppliers.
- (3) Battery components comprise battery packs (including BMS) which are designed and manufactured in-house.
- (4) Electronic components comprise components such as motor controllers, harnesses, DC-DC converters, VCUs and dashboards which are designed in-house and manufactured by suppliers, and portable chargers, which are designed and manufactured by our suppliers.

Our battery pack and BMS are developed in-house with a focus on long life, safety and thermal management. Our compact powertrain platform, consisting of our mid-drive motor, in-house developed motor controller (the Ather Drive Controller (“ADC”)) and in-house designed transmission system, is designed to offer customers near instantaneous power delivery and consistent performance. Our electronics platform comprises components such as the VCU, dashboard, harnesses and fast charging systems. This, along with the Atherstack, has enabled multiple connectivity functions that differentiate the Ather ecosystem. Our chassis platform is modular and caters to both performance and convenience scooter segments. These elements make up the Ather 450 platform.

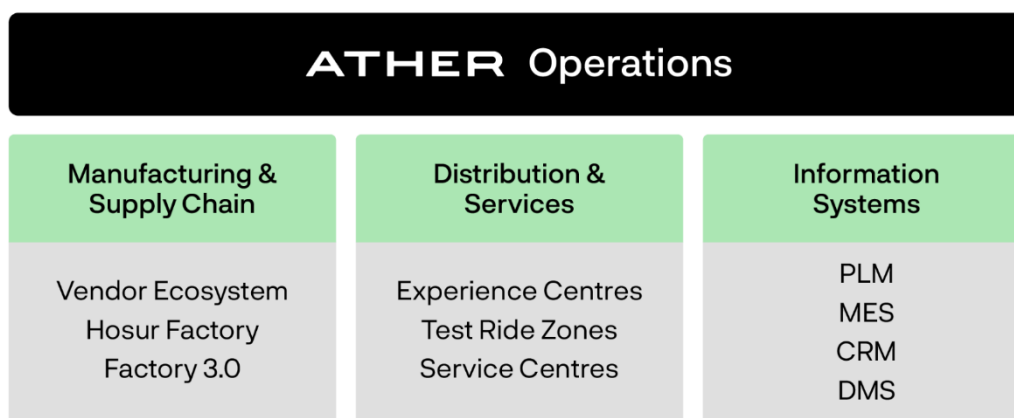
The Ather 450 platform was designed in-house from 2013 to 2018 and we have continued to improve upon the platform since its launch in 2018. The various elements of the platform are common building blocks that we can leverage to develop and manufacture different products that cater to a variety of customer preferences. For instance, the Ather Rizta utilises the battery of the Ather 450 platform while using modified chassis and electronics platforms. The Ather Rizta also utilises our Atherstack software. We are developing a new scooter platform and a motorcycle platform to further address the demand in the E2W market.

As of December 31, 2024, we had three R&D facilities in India. Our R&D facilities house testing labs, prototype build labs, battery labs and vehicle testing facilities. Our R&D team comprised 731 on-roll employees as of December 31, 2024.

Our Operations Ecosystem

Our operations ecosystem consists of our manufacturing facilities, supply chain, distribution and service network and information systems.

Our Operations Ecosystem



The following table provides an overview of the E2W components designed in-house, manufactured in-house and

outsourced to suppliers for manufacturing.

| E2W component | Designed in-house | Manufactured in-house | Outsourced manufacturing |
|--------------------------------|-------------------|-----------------------|--------------------------|
| Battery Pack (excluding cells) | ✓ | ✓ | |
| Motor | | | ✓ |
| Transmission | ✓ | | ✓ |
| Motor Controller | ✓ | | ✓ |
| Vehicle Control Unit | ✓ | | ✓ |
| Dashboard | ✓ | | ✓ |
| DC-DC Converter | ✓ | | ✓ |
| Harnesses | ✓ | | ✓ |
| Chassis | ✓ | | ✓ |
| Charger (portable)* | | | ✓ |

*Only includes our portable chargers for home charging, which are bundled and sold with our E2Ws. Our public fast chargers and neighbourhood chargers are designed in-house with outsourced manufacturing. For further details, see “– Our Charging Infrastructure” on page 263.

Our Manufacturing Facilities

We assemble our E2Ws and manufacture our battery packs using lithium-ion cells sourced from suppliers at our Hosur Factory, which had a total installed capacity of 420,000 E2Ws per year and 379,800 battery packs per year as of December 31, 2024. Our battery pack manufacturing capacity at the Hosur Factory is being expanded to manufacture 531,120 units per year.

Our Hosur Factory is integrated with our manufacturing execution system (“MES”) and equipped with industry 4.0 smart manufacturing technologies that feature semi-automated assembly lines. The plant also housed 65 connected machines, 124 smart devices and 108 connected manual stations that monitor 10,953 parameters and checked 300 parameters at the end of the manufacturing line, as of December 31, 2024.

We plan to build our Factory 3.0 in Chhatrapati Sambhajnagar (formerly Aurangabad), Maharashtra, India, in two phases. This facility will be built with industry 4.0 principles of integrating intelligent digital technologies into the manufacturing process. We plan to commence the first phase of construction of the Factory 3.0 in May 2025 and plan to commence production at the Factory 3.0 in phases, starting in July 2026. The first phase of construction is expected to be completed by March 2027, following which, it will provide an additional installed production capacity of 0.5 million E2Ws per year. Upon completion of construction for both phases, our total installed capacity from the Hosur Factory and Factory 3.0 is expected to reach a total of 1.42 million E2Ws per year. For the risks related to the construction of the Factory 3.0, see “**Risk Factors – Internal Risks – We may experience delays, disruptions or cost overruns in the construction of the Factory 3.0 at Chhatrapati Sambhajnagar (formerly Aurangabad), Maharashtra, India, which could adversely affect our business, prospects, financial condition and results of operation.**” on page 73.

Our Supply Chain

According to the CRISIL Report, the key components of an E2W are the charger, battery pack (which includes the battery management system), motor, motor controller, transmission, chassis, dashboard, DC-DC converter, harnesses and vehicle control unit. As of December 31, 2024, we designed 80% of these key components in-house. In addition, we also develop our entire software stack, the Atherstack, in-house. For more details on key components, see “– Other Business Description – Our Design and R&D Capabilities” on page 286. We maintain a localised and diversified supplier base which enhances our supply chain resilience. We procured 99.9% of our E2W components by BOM value excluding lithium-ion cells, through domestic vendors, as of December 31, 2024. As of December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, we had 202 suppliers, 230 suppliers, 160 suppliers and 123 suppliers, respectively. We have direct arrangements with large OEMs to procure select components such as lithium-ion cells, motors and semiconductors, which allow us to leverage their scale and give us operational flexibility. We are committed to enhancing the sustainability of our supply chain in partnership with our key vendors.

Our Distribution and Servicing Network

Our distribution and servicing network comprises experience centres and service centres spread across India and in Nepal and Sri Lanka, which are primarily operated by our retail partners in India and through authorised distributors in Nepal and Sri Lanka. This asset-light distribution model enables us to leverage the expertise of third-party dealers and service providers to provide an enhanced experience to our customers at our retail touchpoints. Our experience centres are designed to enhance our customers' understanding of our products and the underlying technology. We strive to maintain a high ratio of service centres to experience centres to ensure that our customers' vehicle servicing needs are adequately addressed. All our retail partners' and our own sales and service staff undergo training to ensure that they have adequate knowledge about our products and can provide the service that aligns with the 'Ather' brand.

As of December 31, 2024, we had a total of 280 experience centres and 238 service centres in India, Nepal and Sri Lanka. Among these, 277 experience centres and 236 service centres were operated by third-party retail partners in India and through authorised distributors in Nepal and Sri Lanka. The remaining three experience centres and two service centres were company owned and operated ("COCO").

Our Information Systems

We digitise the entire value chain of our E2Ws, from engineering, manufacturing, sales, service and post-sales lines, using our information systems. This includes our website, lead management system, product lifecycle management system ("PLMS"), MES, customer relationship management ("CRM") and dealer management system ("DMS") to digitise the entire value chain of our Ather E2W. Our information systems leverage a combination of internally designed and externally sourced tools such as the Teamcenter by Siemens Industries Software (India) Pvt Ltd to enable the flow of information across the organisation.

Environment, Social and Governance

Our commitment to sustainable business practices is reflected in our ESG strategy, which focuses on strong governance, developing technologies that accelerate the transition to EVs, minimising environmental impact and investing in talent. We are led by Tarun Sanjay Mehta and Swapnil Babanlal Jain, who are supported by a senior leadership team under a single company structure. The board consists of nine directors, including three independent directors. Our ESG committee, code of ethics policy and policies on matters such as anti-bribery, anti-corruption and fraud prevention aim to create a culture of responsibility and sustainability.

To address environmental concerns and manage key risks, we have established a corporate ESG committee headed by our Chief Operating Officer. Our efforts towards sustainable manufacturing operations include paper-based packaging, pollution control and zero-sewage discharge. We have published three impact reports with Aspire Impact in 2020, 2021 and 2024, and were awarded a 'Gold Leaf' rating by Aspire Impact in all three reports.

We strive to create a consistent and stable work environment in order to retain existing and attract new employees, to enable the continuity of our operations. The attrition rate of permanent employees (non-annualised for the nine months ended December 31, 2024 and 2023) was 9%, 15%, 18%, 16% and 21% in the nine months ended December 31, 2024 and December 31, 2023 and in Fiscal Years 2024, 2023 and 2022, respectively.

Select Operational and Financial Metrics

The following table sets forth our select operational and financial metrics as at the dates indicated.

| Particulars | Units | As of and in the Nine Months ended December 31, | | As at and for the Financial Year ended March 31, | | |
|--|---------------------|---|-----------------|--|-----------------|-----------------|
| | | 2024 | 2023 | 2024 | 2023 | 2022 |
| Vehicles Sold [#] | Number in thousands | 108 [^] | 74 [^] | 110 [^] | 92 [^] | 23 [^] |
| Year-on-year / period-on-period growth of Vehicles Sold ^{(1) #} | (%) | 45% | N.A. | 19% | 294% | 373% |
| Revenue from Operations [#] | INR in Million | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| Year-on-year / period-on-period growth in Revenue from | (%) | 28% | N.A. | (2%) | 336% | 412% |

| Particulars | Units | As of and in the Nine Months ended December 31, | | As at and for the Financial Year ended March 31, | | |
|---|----------------|---|---------|--|---------|---------|
| | | 2024 | 2023 | 2024 | 2023 | 2022 |
| Operations ⁽²⁾ # | | | | | | |
| Adjusted Gross Margin ⁽³⁾ # | (%) | 19% | 9% | 9% | 11% | 7% |
| EBITDA ⁽⁴⁾ # | INR in Million | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |
| EBITDA Margin ⁽⁵⁾ # | (%) | (23%) | (34%) | (36%) | (38%) | (62%) |
| Revenue Mix [#] | | | | | | |
| - Sale of Vehicles ⁽⁶⁾ # | (%) | 88% | 90% | 90% | 80% | 91% |
| - Sale of Non-Vehicle ⁽⁷⁾ # | (%) | 12% | 10% | 10% | 20% | 9% |
| Revenue per unit of Two Wheeler Vehicle Sold ⁽⁸⁾ # | In INR | 129,001 | 148,180 | 143,333 | 155,571 | 158,192 |
| Profit / (Loss) for the year / period [#] | INR in Million | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Profit / (Loss) for the year / period Margin ⁽⁹⁾ # | (%) | (36%) | (62%) | (59%) | (48%) | (83%) |
| Working Capital Days ⁽¹⁰⁾ # | Days | (48) | (21) | (46) | (21) | (33) |
| E2W Market Share* | (%) | 10.7% | 11.3% | 11.5% | 10.6% | 7.9% |

#As certified by Manian & Rao, Chartered Accountants, by their certificate dated April 22, 2025.

*Source: CRISIL Report.

^Figures disclosed have been rounded off. Actual figures are 107,983 (in the nine months ended December 31, 2024), 74,333 (in the nine months ended December 31, 2023), 109,577 (in Fiscal Year 2024), 92,093 (in Fiscal Year 2023) and 23,402 (in Fiscal Year 2022).

Notes:

- (1) Year-on-year / period-on-period growth of Vehicles Sold (%) is calculated as ((Number of vehicles sold during the relevant Fiscal Year/period – Number of vehicles sold during the relevant previous Fiscal Year/period) / Number of vehicles sold during the relevant previous Fiscal Year/period) *100
- (2) Year-on-year / period-on-period growth in Revenue from Operations (%) is calculated as ((Revenue from operations during the relevant Fiscal Year/period– revenue from operations during the relevant previous Fiscal Year/period) / revenue from operations during the relevant previous Fiscal Year/period) *100
- (3) Adjusted Gross Margin (%) is calculated as adjusted gross margin (₹) divided by total income in the relevant Fiscal Year/period *100. Where in Adjusted Gross Margin (₹) is calculated as total income reduced by Cost of materials consumed, Purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress.
- (4) EBITDA is calculated as Profit / (Loss) before exceptional items and tax reduced by finance costs and depreciation and amortisation expenses.
- (5) EBITDA Margin (%) is calculated as EBITDA divided by Total Income *100.
- (6) Revenue Mix – Sale of Vehicles (%) is calculated as Revenue from sale of vehicles divided by revenue from operations *100.
- (7) Revenue Mix –Sale of Non-Vehicle (%) is calculated as revenues from operations reduced by revenue from sale of vehicles divided by Revenue from Operations *100.
- (8) Revenue per unit of Two-wheeler Vehicle Sold is calculated as Revenue from sale of two wheeler vehicles during the Fiscal Year/period divided by the number of two wheeler vehicles sold during the relevant Fiscal Year/period.
- (9) Profit / (Loss) for the year/period margin (%) is calculated as Profit / (Loss) for the Fiscal Year/period divided by total income in the relevant Fiscal Year/period *100.
- (10) Working Capital Days is computed as Trade Receivables days plus inventory days minus trade payable days; Wherein, Trade Receivable Days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Financial Years or 275 days in the nine months ended December 31 (as applicable), Inventory Days is calculated as average inventory divided by cost of goods sold multiplied by 365 for Financial Years or 275 days in the nine months ended December 31 (as applicable), and Trade Payable Days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for Financial Years or 275 days in the nine months ended December 31 (as applicable). Further Cost of Goods Sold is the sum of Cost of materials consumed, Purchase of stock-in-trade and Change in inventories of finished goods, stock-in-trade and work-in-progress.

Our Competitive Strengths

Our ability to pioneer new technologies.

According to the CRISIL Report, electrification of the 2W industry gained momentum from the launch of high-speed (i.e. with a speed limit of above 25 km/h) E2Ws. Ather entered the market in 2018 with the Ather 450 model and has introduced several technologies first to the E2W market, including features like touchscreen dashboard with navigation, internet connectivity via 3G SIM, aluminium chassis, fast charging and guide-me-home lights. Our Company has also introduced several industry first features such as traction control, fall safe, cloud integration, OTA updates (Over-The-Air), ride statistics on app, through their software package, Atherstack. We were also the first OEM to introduce an electric scooter with a high speed of 80 kmph, first OEM to establish its own fast charging network (Ather Grid) and also the first OEM to develop a smart helmet (Halo). See “**Industry Overview**” on page 216. Our strong in-house R&D capabilities across different disciplines give us control over the design of our existing and future product offerings. We invested ₹2,388 million, ₹1,637 million, ₹2,365 million, ₹1,916 million and ₹1,010 million in R&D in the nine months ended December 31, 2024 and 2023 and

Fiscal Years 2024, 2023 and 2022, respectively. As of December 31, 2024, our R&D team had 731 on-roll employees who made up 46% of our total workforce. Our R&D expenses as a percentage of our total income was 15%, 13%, 13%, 11% and 24% in the nine months ended December 31, 2024 and 2023 and Fiscal Years 2024, 2023 and 2022, respectively. Through our focused R&D team, globally we had 303 registered trademarks, 201 registered designs and 45 registered patents, in addition to pending applications for 102 trademarks, 12 designs and 303 patents, as of February 28, 2025.

Our first E2W, the Ather 450, was India's first E2W with features such as a touchscreen dashboard, internet connectivity via 3G SIM, OTA updates and aluminium chassis, according to the CRISIL Report. The Ather 450 was also the first E2W to offer a top speed of 80 kmph, which was the highest speed among E2Ws in 2018, according to the CRISIL Report. In addition, we brought about several innovations in the E2W industry such as fast charging, Fall Safe and traction control, as well as smart helmets within the E2W segment, according to the CRISIL Report. Further, Ather was also the first 2W OEM to set up a fast charging network for E2Ws in 2018, according to the CRISIL Report. Our charging infrastructure utilises our in-house designed charging connector technologies.

Our E2Ws are positioned at a premium price within their respective segments in the Indian E2W market.

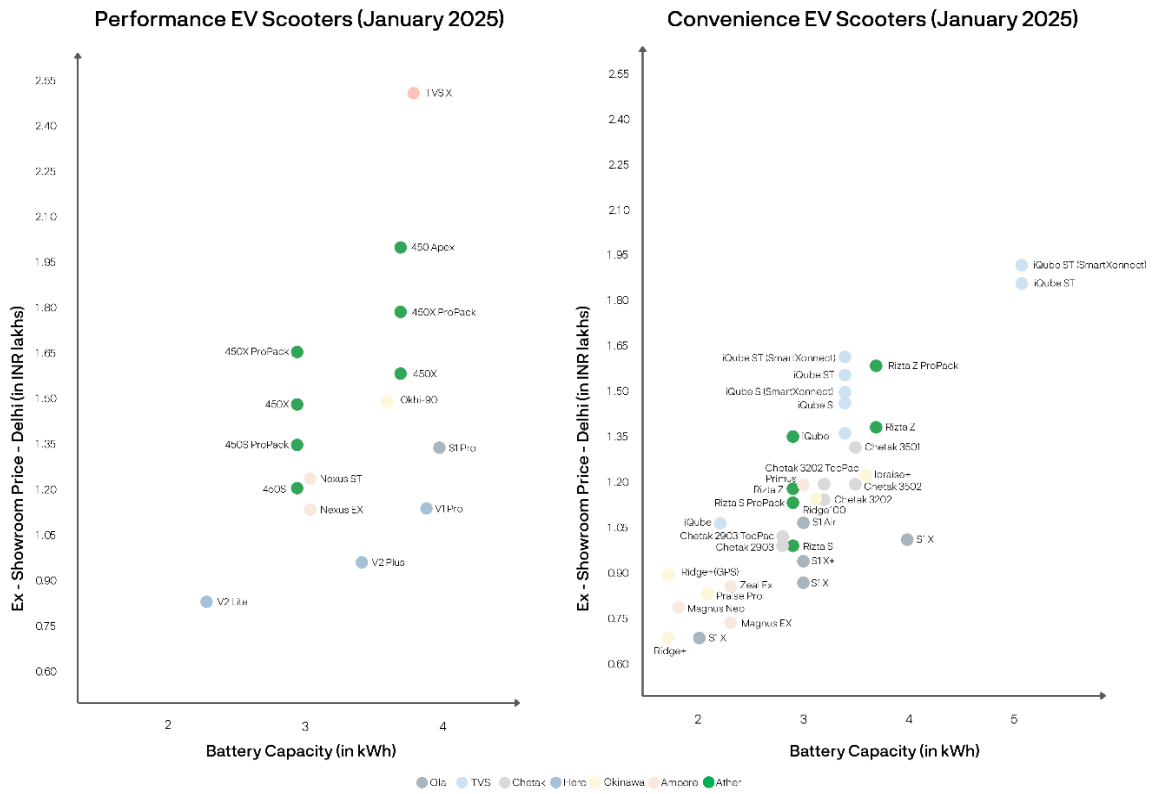
Our focus on quality and user experience enables us to position our E2Ws at a premium price within both the performance and convenience scooter segments, based on data provided by CRISIL. We had 4,535 unique tests to validate all components of our E2W, as of December 31, 2024, and our software-defined ecosystem is designed to generate engagement to enhance our product quality and elevate the user experience. For instance, we offer features such as Trip Planner, a data-driven feature in our Ather app which allows customers to plan their daily commutes and charge requirements. Data collected from app usage further drives our product development and user engagement.

Our focus on user experience extends to our distribution and service network. Our experience centres are designed to showcase the engineering behind our products, as evidenced by the positioning of our chassis as the centrepiece, to facilitate a thorough understanding of our E2Ws. We offer training to the sales and service personnel at our retail partners' experience centres and COCO experience centres to ensure a consistent and quality user experience. Our service network is designed to be accessible and efficient, with an average turnaround time of 4.8 hours and 4.7 hours for our standard periodic maintenance in the nine months ended December 31, 2024 and in Fiscal Year 2024, respectively. Our continuous focus on improving our service delivery is evident in our introduction of the ExpressCare service in Fiscal Year 2024, which offered an expedited E2W servicing within a maximum turnaround time of one hour for standard periodic servicing. We announced the launch of Ather Gold service centers in December 2024. Ather Gold service centers are designed to provide an upgraded service experience. The first Ather Gold service center was opened in Trivandrum Kerala, India in January 2025.

We track and analyse 13 key customer satisfaction metrics across different points of interaction as part of our regular business operations, as of December 31, 2024. These customer satisfaction parameters are tracked from initial contact with the customer, through their purchase journey and extends to the product and after sales experiences. We also track the satisfaction of our retail partners through a retail partner satisfaction index as a part of regular business operations.

Our investments in ensuring quality and user experience allow us to command a premium price for our E2Ws in each of their respective segments. This is reflected in our sales growth to 107,983 E2Ws in the nine months ended December 31, 2024 from 74,333 E2Ws in the nine months ended December 31, 2023, and to 109,577 E2Ws in Fiscal Year 2024 from 23,402 E2Ws in Fiscal Year 2022. Despite our premium pricing, according to the CRISIL Report, we were the third and fourth largest E2W manufacturer by sales in India as at March 31, 2024 and December 31, 2024, respectively. We seek to further expand our market share with the launch of our latest convenience scooter, the Ather Rizta to serve a broader range of customers. The Ather Rizta series was, on average, priced ₹16,474 lower than the Ather 450 series as at December 31, 2024.

Price Ladder Graph Comparing Ather and Prices of Peers for Different E2W segments



Note: 2025 data obtained from the CRISIL Report based on ex-showroom prices in Delhi, India.

Vertically integrated approach to product design with strong in-house R&D capabilities.

Our control over the design of key components of our E2Ws and accessories, including the underlying software, gives us speed to market, control over quality, cost management capabilities, access to partnerships with large technology companies and the ability to deliver an improved user experience. We make improvements to our products at a fast pace and introduce new models quickly. For instance, we made 204 component upgrades in Fiscal Year 2024 via engineering changes, which enabled us to drive higher sales volumes and adapt to market developments. This approach also braced our Company to respond to the global semiconductors shortage which occurred between Fiscal Year 2021 and 2023, during which our sales volume increased despite the disruption in supplies.

Through continued investments in our R&D and designs, we strive to reduce our bill of materials (“**BOM**”) costs. For instance, in Fiscal Year 2022, our in-house designed ADC reduced our BOM cost for the motor controller by 51%, compared to those sourced from our vendor in Fiscal Year 2021.

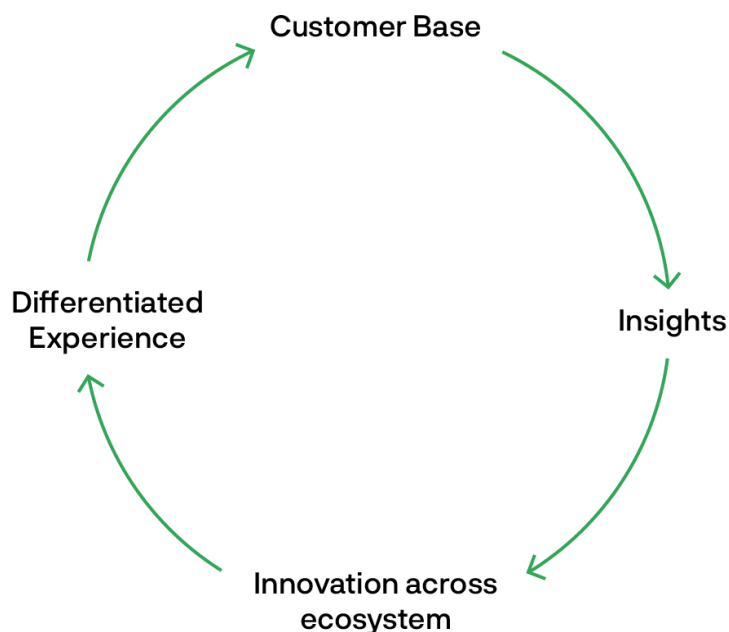
During Fiscal Year 2024, we also implemented 91 engineering modifications, further reducing our BOM costs. Additionally, in April 2024, we launched the Ather Rizta series, which features an average BOM cost that is 7% lower than that of the Ather 450 series as of December 31, 2024. Our design capabilities also enable us to source our components and raw materials from multiple suppliers so as to increase competition, scale and supply chain resilience. We outsource the manufacturing of select EV components to a diverse supplier base, while focusing our resources on the in-house manufacturing of IP sensitive components. We partner with international technology companies such as Infineon Technologies, Asia Pacific Pte Ltd, Qualcomm Technologies Inc., LG Energy Solution Ltd., Mahle Electric Drives India Private Limited and Nidec India Private Limited for components such as semiconductors, motors and lithium-ion cells. Such partnerships enable us to leverage our suppliers’ scale and capabilities to procure critical raw materials and remain agile with respect to capital intensive technology. We manufacture our battery packs and assemble our E2Ws at our manufacturing facilities, on assembly lines that we designed in-house.

Our approach to product design requires strong in-house R&D capabilities across different disciplines, as cross-discipline advancements in technology enable us to better integrate between various systems and software. This integration in turn allows us to deliver a connected user experience with our ecosystem of products. Our R&D capabilities are reflected in our IP portfolio and our continued efforts to invest in R&D initiatives.

Software-defined ecosystem that drives customer engagement and margins.

Powered by the in-house developed Atherstack, our software-defined ecosystem aims to improve user experience and drive customer engagement. Our continued innovation and improvements to our product ecosystem, driven by insights from the Atherstack, generate a flywheel effect. Continuous technological upgrades enhance our products’ appeal to customers, enabling us to grow our customer base and harness more user data. The insights derived from the data collected guide our investments and serve as real-time feedback in our efforts to enhance the Ather ecosystem.

The following diagram illustrates our flywheel:



We receive data from multiple sources such as the Ather App, our E2Ws, charging infrastructure, smart accessories and other information systems. The data from these sources is processed by the Ather Data Platform, which gives us intelligence on customer cohort usage patterns, product performance, post-sales journey and charging insights. We use this intelligence to design new solutions for our customers across our ecosystem. For instance, based on our customer cohort data, we have created virtual drive cycles that are now part of our test standards, enabling us to more accurately predict the range of our E2Ws and earn the trust of our customers. Additionally we also use the data we receive to share certain fleet and vehicle level metrics with our customers annually.

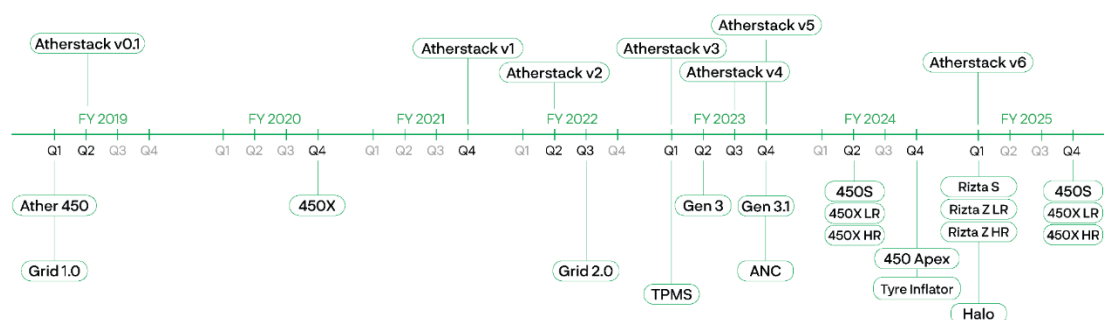
We also utilise the intelligence gathered on app features to improve engagement. For example, we offer Trip Planner, a data-driven feature that helps customers plan their daily commutes and charge requirements for round-trips. Based on the route they are planning to take, Trip Planner analyses if they are likely to run out of charge based on their past driving style, and will route them to the most suitable Ather Grid public fast charger so that they reach their destination comfortably.

As of December 31, 2024, 86% of customers who purchased our E2Ws also purchased access to the advanced features of the Atherstack. We had 308,067 monthly active users on the Ather app, as of December 31, 2024. We periodically introduce OTA software upgrades to our E2Ws in order to enhance the functionality and appeal of the Atherstack, which is currently in its seventh generation. We recorded revenue from sales of software per E2W of ₹8,304, ₹10,367, ₹9,797, ₹14,341 and ₹11,265 in the nine months ended December 31, 2024 and December 31, 2023 and in Fiscal Years 2024, 2023 and 2022, respectively. The Atherstack recorded an EBITDA% of 53% and 56% in the nine months ended December 31, 2024 and in Fiscal Year 2024, respectively.

Scalable technology platform enabling accelerated product launches.

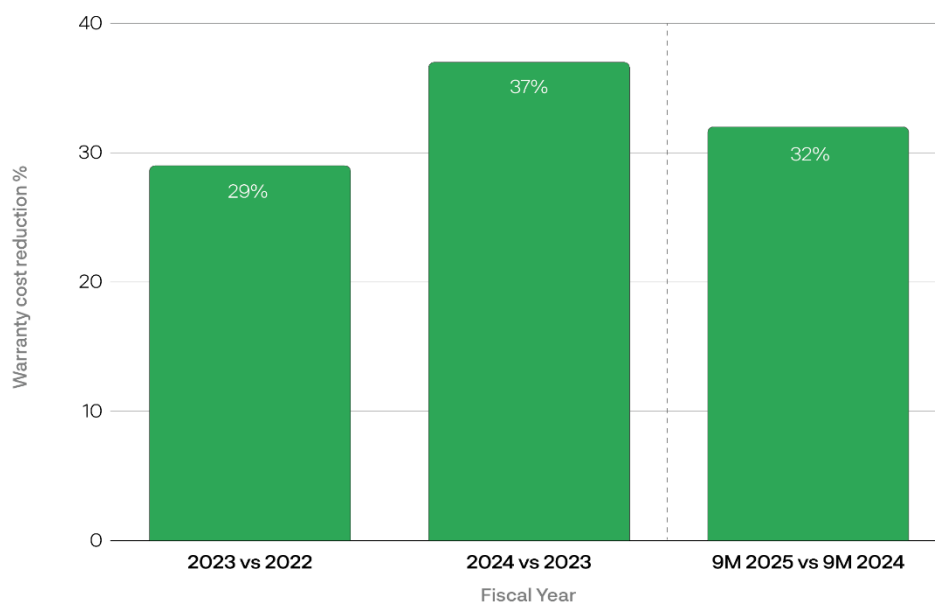
Our technology platform, comprising our battery, powertrain, electronics, chassis and Atherstack, serves as the backbone of our entire product lineup. As of December 31, 2024, our scooters based on the Ather 450 platform have clocked 4.11 billion kilometres since launch. Our technology platform offers scalability, adaptability and cost structures that accelerate the development of new products. We leverage common elements across our platform, such as the chassis, battery and BMS, to accelerate the rate at which we are able to develop new products, thereby reducing our time-to-market while maintaining our quality standards. Our platform's modular architecture enables cost-efficient integration of new features and advancements, enabling us to continue innovating in the evolving EV market. We were able to develop the new Ather Rizta scooter model within 13 months from the first proof of concept.

Timeline of Product Launches



While we have accelerated our product launch times, we have maintained our focus on quality controls for our products. As of December 31, 2024, our batteries' median state of health remained at 88% in scooters that are between five and six years old. Our focus on quality also enabled us to lower our warranty costs between Fiscal Year 2022 and Fiscal Year 2024, and between the nine months ended December 31, 2023 and December 31, 2024.

Warranty cost reduction



Capital efficient and flexible operations.

We adhere to a capital efficient business model with an emphasis on control over design and technology, while maintaining operational flexibility. Through this business model, we seek to reduce our up-front capital needs,

promote cost savings, retain flexibility to adopt new technologies and simultaneously minimise our risk of over-investment. According to the CRISIL Report, our cash burn rate, on a cumulative basis, is lower than comparable domestic and international peers. For further details on the analysis of cash burn rate, see “**Industry Overview – Unit economics and cash burn rate**” on page 246. We place an emphasis on financial prudence in working capital management, as evidenced by our 48 days and 46 days of favourable working capital days in the nine months ended December 31, 2024 and in Fiscal Year 2024, respectively. Our business model aims to prioritise sustainability and flexibility, giving us the ability to respond to evolving market trends and customer demands.

We have made investments in our R&D and manufacturing facilities, and leverage a localised supply chain to manufacture our E2W components. Our capital investment approach begins with the establishment of the product’s reliability through testing and optimisation of cost structures before investing into expansion thereafter.

We procure lithium-ion cells from third-party suppliers to avoid upfront capital investments into cell manufacturing. We similarly outsource the manufacturing of our in-house designed chassis, BMS, VCU, motor controller, signal harness and fast charger, to third-party contract manufacturers. We have strategically elected to outsource the manufacturing of these components to third-party suppliers to reduce our own capital expenditures and maintain flexibility in light of the developing technological landscape. Further, our approach to outsource certain components has allowed us to allocate more of our capital and resources into expanding our product portfolio and developing other vehicle and manufacturing technologies.

We started with a small-scale factory in the Whitefield area of Bengaluru, Karnataka, India, which had a total installed capacity of 21,300 E2Ws per year in Fiscal Year 2021. We then moved our manufacturing to larger facilities in our Hosur Factory. We began operations at the first facility in our Hosur Factory in January 2021, which had a total installed capacity of 113,700 E2Ws and 121,200 battery packs. Production at the second facility in our Hosur Factory began in September 2022, and with the addition of this phase, our total installed capacity increased by 266,850 E2Ws and 232,475 battery packs. As of December 31, 2024, the Hosur Factory had a total installed capacity of 420,000 units per annum for vehicle assembly and 379,800 units per annum for battery pack manufacturing.

We have adopted an asset-light approach to our distribution network which accommodates rapid expansion and generates cost efficiencies. Our distribution network primarily comprises experience centres and services centres operated by our retail partners. This model enables us to avoid substantial upfront capital investments on brick-and-mortar stores and lower our operating costs, while simultaneously allowing us to leverage on the regional sales expertise of our retail partners.

Experienced management team and long-term investors committed to strong corporate governance standards.

Our Company is led by Tarun Sanjay Mehta and Swapnil Babanlal Jain, and an experienced management team, who are committed to upholding our corporate governance standards. Tarun Sanjay Mehta and Swapnil Babanlal Jain have played pivotal roles in shaping our Company’s strategic direction. Our experienced and professional senior management team comes from diverse backgrounds and has execution track records across various industries such as engineering, manufacturing supply chain, software and technology. Our management team is committed to and is focused on growing our business. For further details, see “**Our Management**” on page 334. This combined knowledge and experience have enabled us to efficiently respond to market opportunities, adapt to changes in the business landscape and introduce innovative solutions. We have a robust governance framework and take pride in upholding our governance standards. See “**– Other Business Description – Environment, Social and Governance**” on page 266.

We have a panel of directors and experienced investors from diverse industries such as automotive, finance, and fintech, who have been instrumental in providing financial support and strategic direction. Their support has provided us with the agility and resilience needed to navigate the dynamic E2W market conditions.

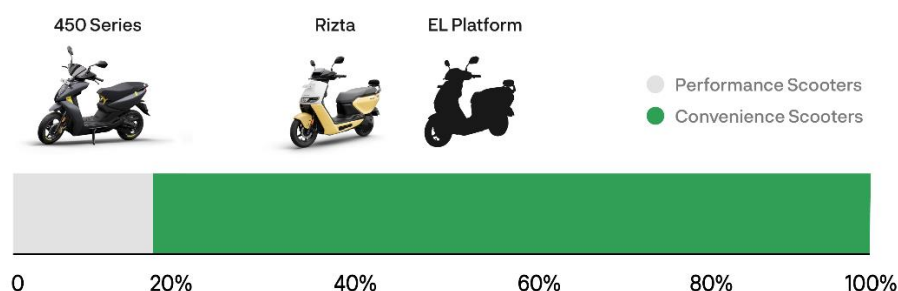
Our Strategies

We aim to achieve profitability and reduce our risk exposure by implementing the strategies below in our future business operations.

Strategic expansion of our product portfolio through our multi-product technology platforms

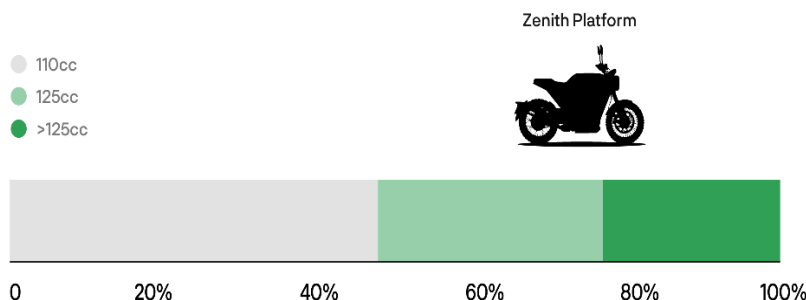
We will continue expanding our product portfolio by launching E2Ws that cater to the broader 2W market as a compelling alternative to ICE vehicles. According to the CRISIL Report, in Fiscal Year 2024, 85.3% of the Indian scooter market is composed of ICE scooters, which are segmented as performance and convenience scooters. According to the CIRISL Report, in the nine months ended December 2024, the market share of ICE scooters was 84.8%. Performance scooters accounted for approximately 19% of the ICE scooter market in the nine months ended December 31, 2024, catering to customers seeking 2Ws that offer higher power and superior performance levels, according to the CRISIL Report. Meanwhile, convenience scooters accounted for the remaining 81% of the ICE scooter market in the nine months ended December 31, 2024 catering to customers seeking family friendliness, comfort and fuel efficiency, according to the CRISIL Report.

Indian ICE Scooter Market Share Percentage of Performance and Convenience Scooters



(Source: CRISIL, in the nine months ended December 31, 2024)

Indian Motorcycle Market Share Percentage of Motorcycles with Different Engine Capacity



(Source: CRISIL, in the nine months ended December 31, 2024)

Our Ather 450 line of E2Ws caters to customers seeking a performance scooter. In the nine months ended December 31, 2024 and Fiscal Year 2024, our products held a 10.7% and 11.5% of the market share in the Indian E2W market, according to the CRISIL Report. The Indian E2W market recorded sales of 0.94 million units in Fiscal Year 2024, according to the CRISIL Report. The introduction of the Ather Rizta marked our entry into the convenience scooter segment, enabling us to address the broader portion of the scooter market. The Ather Rizta is designed for families, featuring a large seat, up to 56 L of storage capacity with a joey pocket and safety features such as disc brake, traction control, Emergency Stop Signal and Fall Safe. Both models are built on the Ather 450 platform and utilise our proprietary software, the Atherstack. The Ather Rizta line accounted for 52% of our sales volume in the nine months ended December 31, 2024, despite sales commencing only in May 2024. Consequently, our sales volume increased by 45% to 107,983 units in the nine months ended December 31, 2024 from 74,333 units in the nine months ended December 31, 2023. We plan to continuously enhance the Ather 450 and Ather Rizta lines by adding new features, performance upgrades and software updates to meet the growing demand for E2Ws. For example, in January 2025, we introduced updated versions of the Ather 450 series, featuring performance enhancements such as multi-mode traction control and an increase of up to 14% in range for the Ather 450X 2.9 kWh variant, along with and two new colour variants across our Ather 450 series. This will help

increase the attractiveness of our E2W offerings and therefore increase our sales volume, paving the way to future profitability.

We are currently developing two new E2W platforms: a new scooter platform (the EL platform) and a motorcycle platform (the Zenith platform). The EL platform, which is in an advanced stage of development, will serve as a more cost-effective and versatile platform for our scooter lines. It will incorporate a new powertrain, electronics and chassis platform, while utilising elements of the battery and Atherstack from the Ather 450 platform. The EL platform will allow us to develop a diverse range of scooter models tailored to various domestic and international markets needs, and reduce our costs. Additionally, we are developing our Zenith platform, which is designed to support new E2W models targeting the 125 cc to 300 cc motorcycle segments. According to the CRISIL Report, motorcycles accounted for 62% and 63% of the Indian 2W market in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. The motorcycle segment presents a significant opportunity for us to expand our addressable market.

Further, we are in the process of designing a new battery platform using the lithium-iron phosphate (“**LFP**”) cathode chemistry to augment our existing battery platform. This new battery platform is expected to be compatible with some of our existing products and leverage the price difference between LFP and nickel based chemistries. We are exploring the use of heavy rare earth-free and rare earth magnet-free motors to reduce our dependence on the rare earth metals while reducing our costs. Additionally, we will continue to invest significant efforts in the expansion of our software capabilities and improve our ecosystem products. We will leverage our multidisciplinary R&D capabilities to expand the ‘Ride Assist’ features in the Atherstack, which is an Advanced Rider Assistance System to enhance rider safety, comfort and overall user experience through the integration of sensors, communication systems and artificial intelligence. We will continue upgrading our charging technology, and expanding our accessories portfolio and the Atherstack feature set. We will also continue to leverage the insights gained from usage patterns of customer cohorts to build new products that enhance the user experience.

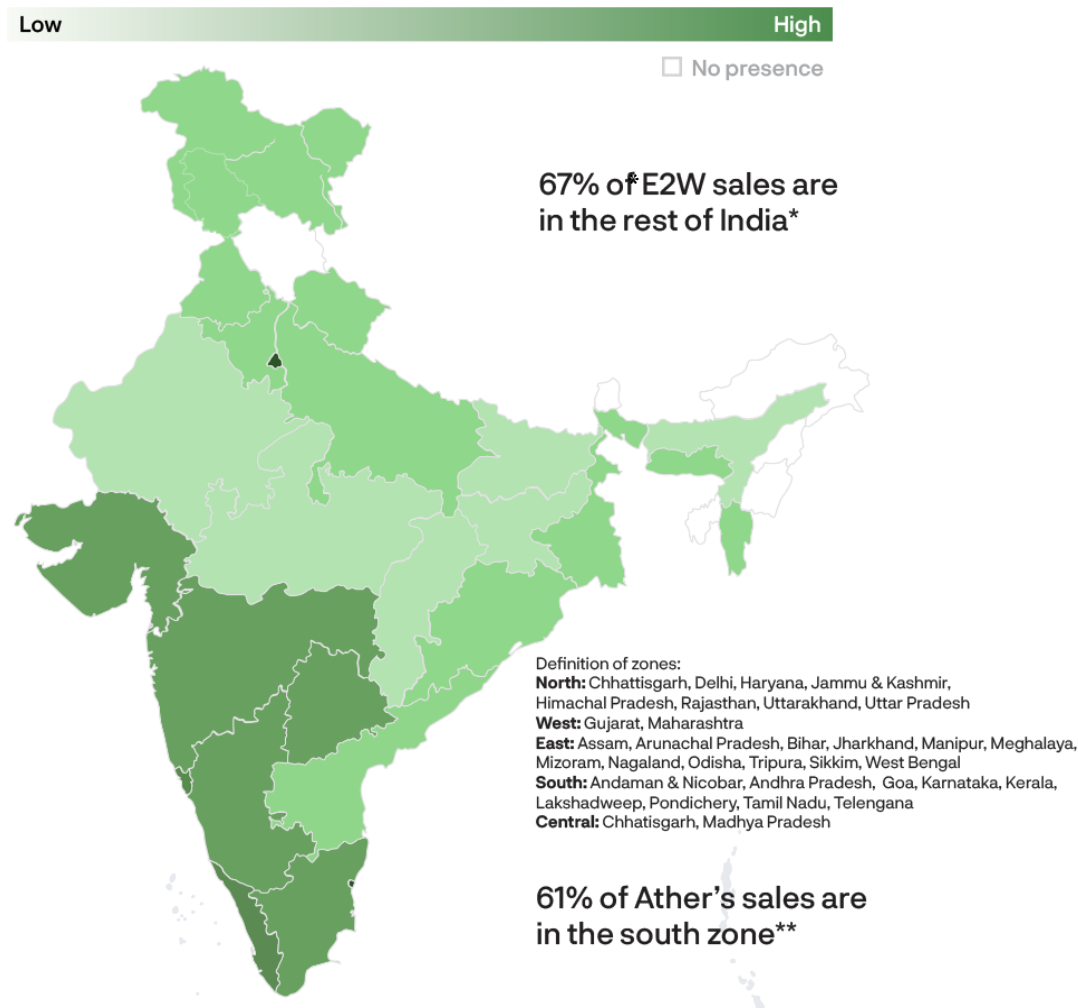
These new platforms and platform improvements will build on the strengths of our existing technology while catering to the demand of the majority of the Indian 2W market.

Expand and deepen our distribution network in India and beyond.

We plan to continue to leverage on our asset-light distribution model to quickly expand and deepen our distribution network while maintaining our focus on quality and customer satisfaction.

Concentration of our Experience Centres in India

Concentration of our experience centers



* CRISIL, in the nine months ended December 31, 2024.

** Data and zone definitions from our Company in the nine months ended December 31, 2024.

According to data from the CRISIL Report, the south zones only accounted for approximately 33% of the total E2W sales in India, while 48% of our experience centres are located in the south zones, which contributed to 61% and 68% of our sales in nine months ended December 31, 2024 and Fiscal Year 2024 respectively. This affords our Company a variety of potential markets in which to expand our distribution network. With our entry into the convenience scooter segment through the launch of the Ather Rizta, we are able to address a larger portion of the scooter market as we expand distribution. We aim to partner with additional third-party retail partners to expand our network of experience centres and service centres within India, especially in less penetrated regions, in order to grow our customer base and drive sales in a cost effective manner. While we increased the number of our experience centres by 58% as of December 31, 2024 compared to December 31, 2023, we plan to continue to increase our market penetration by opening more experience and service centres in regions where we already have a presence.

To ensure our customers have easy access to service centres, we aim to achieve a ratio of service centres to experience centres of greater than one. As of December 31, 2024, our ratio of service centres to experience centres in India was 0.9, 0.8 in Nepal and 0.1 in Sri Lanka, where we started operations in November 2024. As we grow our distribution network, we plan to continue offering marketing support and training to the sales agents and technicians at our retail partners' experience centres and service centres to ensure a consistent and high quality customer service.

As stated in the CRISIL Report, E2Ws designed and manufactured in India offer a higher number of features and similar performance compared to a majority of global peers. Over the next several years, we will seek opportunities to expand in other international markets, where we identify high, untapped demand for our products. As of December 31, 2024, we had five experience centres and four service centres in Nepal, and ten experience centres and one service centre in Sri Lanka operated by our authorised distributors. Our technological advancement coupled with competitive cost structures present an opportunity for us to leverage the electrification trends in other international markets.

Improving operational efficiency and manufacturing capabilities through the establishment of our Factory 3.0.

According to the CRISIL Report, E2W demand in India is projected to reach approximately 10.3 million to approximately 12.3 million units by Fiscal Year 2031. Based on this expected growth rate, we plan to scale up our production capacity to meet the projected demand through the establishment of our Factory 3.0. We plan to commence the first phase of construction of the Factory 3.0 in May 2025 and plan to commence production at the Factory 3.0 in phases, starting in July 2026. The first phase of construction is expected to be completed by March 2027, following which, our total installed production capacity across our existing manufacturing facilities is expected to increase to 0.92 million E2Ws per annum. Upon completion of construction for both phases, our total installed capacity from the Factory 3.0 is expected to reach 1 million E2Ws per year.

Currently in our Hosur Factory, we focus on assembling E2Ws and manufacturing battery packs. In Factory 3.0, aside from the available production processes, we plan to introduce backward integrations of certain processes such as transmission assembly, electronics assembly and painting. These new in-house processes will help de-risk our supply chain and mitigate the impact of market fluctuations on our operating costs. We aim to bring in flexibility through a focused variant development strategy, which will enable us to retain capacity for new technology while maintaining our capital efficient approach for investment. In addition, we plan to manufacture our new scooter and motorcycle platforms at Factory 3.0, with a similar phased expansion to ensure efficient capital utilisation.

Further, by locating Factory 3.0 in a different region, we also seek to mitigate the impact of possible regional disruptions as a result of geographical concentration. With the establishment of our Factory 3.0 at Chhatrapati Sambhajnagar (formerly Aurangabad), Maharashtra, India, we aim to increase the geographical presence of our manufacturing operations to improve our delivery timeframes and operational efficiencies. We also seek to leverage the high EV penetration rate in the state of Maharashtra, and the strong automotive supplier base in the region, according to the CRISIL Report, to further enhance the quality of our products and services.

Continue our focus on unit economics.

Our revenue from operations improved by 329% between Fiscal Year 2022 and Fiscal Year 2024, and by 28% between the nine months ended December 31, 2024 and December 31, 2023 as a result of our premium positioning across segments and increase in the sales volume of our E2Ws. We have focused on improving gross margins through the reduction of the BOM cost of our E2Ws through investments in our R&D capabilities and technologies. We will continue to remain focused on our unit economics, the quality and user experience of our E2Ws, to further our aim of profitability.

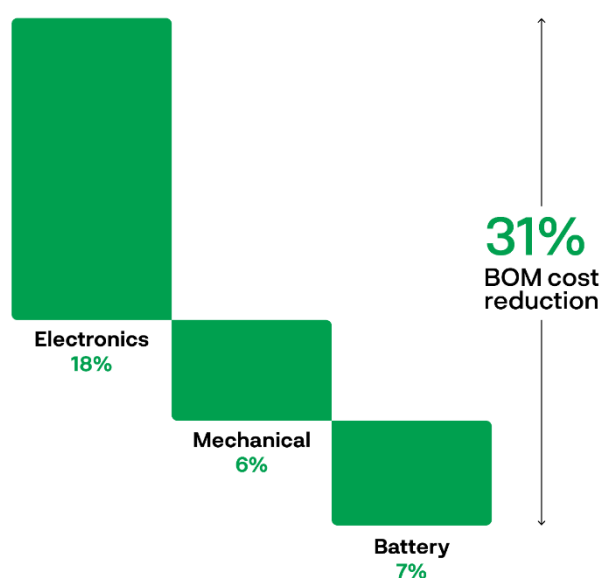
We have focused on improving gross margins through the reduction in the BOM cost of our E2Ws through investments in our R&D capabilities and technologies. For example, we have lowered the BOM cost of the Ather 450X (2.9 kWh) variant by 31% as of December 31, 2024, compared to when it was first produced in Fiscal Year 2021. Of this 31% reduction in total BOM cost, 18%, 6% and 7% of such reduction were attributable to the reductions in the BOM costs of the electronics, mechanicals and battery components, respectively. Meanwhile, compared to the Ather 450X (Gen 3) (3.7 kWh) that was first launched in Fiscal Year 2023, the BOM cost of this variant was reduced by 18% as of December 31, 2024.

We have strategically increased the number of key components we design in-house to improve our cost structures. For instance, in Fiscal Year 2022, we introduced the ADC, our in-house motor controller, which generated cost savings of 51% on introduction and improved the feature set of our E2Ws. Our in-house motor controller and in-house software capabilities enabled us to launch features such as Smart Eco, AutoHold and traction control. In addition, in April 2024, we launched the Ather Rizta series, which features an average BOM cost that is 7% lower than that of the Ather 450 series of scooters. We also developed our in-house capabilities to design synchronous belt drive systems, which reduced the cost of our transmission system by 16% on introduction in Fiscal Year 2024.

Our vertically integrated design approach enables us to form connections with large semiconductor chip manufacturers such as Qualcomm Technologies Inc, Analog Devices, Inc. and Microchip Technologies Incorporated, as well as lithium-ion cell manufacturers such as LG Energy Solutions Limited and Amara Raja Advanced Cell Technologies Private Limited, and work alongside them to develop more cost effective solutions. We will continue our strategy of sourcing components from a diverse set of suppliers, enabling us to benefit from competitive supply costs and further improve our unit economics.

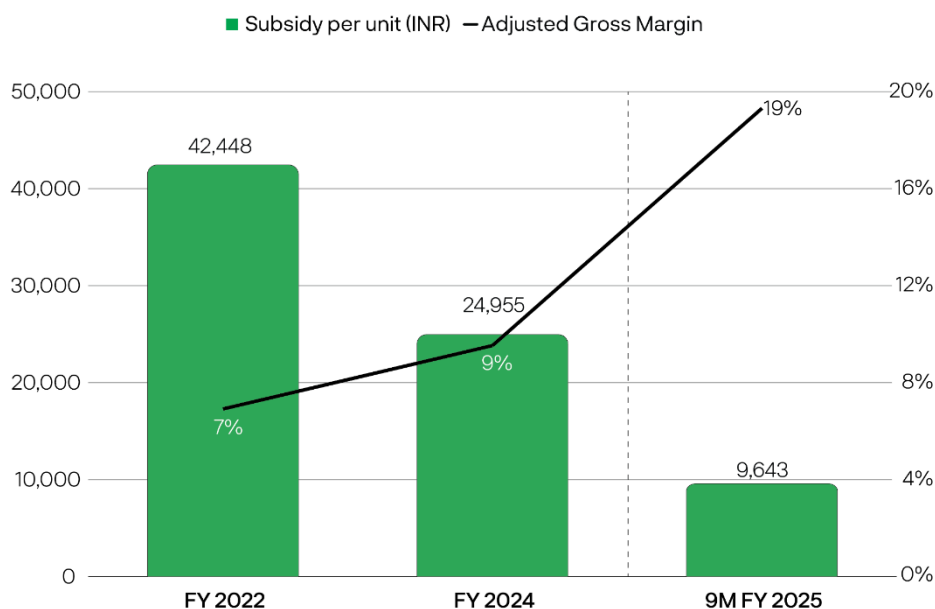
During the past three Fiscal Years and the nine months ended December 31, 2024, a reduction of the FAME subsidies resulted in a decline of 77% of the subsidies availed per E2W. However, our focus on unit economics has allowed us to become less reliant on government subsidies under the FAME scheme and maintain margins to drive profitability in the future. Our Adjusted Gross Margin improved to 19% and 9% in the nine months ended December 31, 2024 and in Fiscal Year 2024 respectively, up from 7% in Fiscal Year 2022, despite the reduction of government subsidies under the FAME scheme per E2W to ₹9,643 and ₹24,955 in the nine months ended December 31, 2024 and in Fiscal Year 2024 respectively, from ₹42,448 in Fiscal Year 2022. Our new in-house designed technologies and continuous improvements to our existing Ather 450 platform, along with investments in key technologies, such as a new scooter platform and a new battery platform, are expected to improve the BOM cost structures for our products. The scooter platform is expected to realise BOM cost benefits by featuring a new chassis, which will allow us to build multiple scooter types on a single platform. Our new battery platform, based on the LFP cathode chemistry, will allow us to leverage the lower raw material costs of the LFP cathode chemistry. According to the CRISIL Report, in 2024, the manufacturing cost of LFP battery cells was 30% lower than that of nickel manganese cobalt oxide (“NMC”) battery cells. We conducted production trials for our LFP-based battery packs in December 2024. With the establishment of the Factory 3.0, we will be able to bring additional manufacturing processes such as electronics assembly, painting and transmission assembly in-house, to leverage manufacturing efficiencies and economies of scale to improve our unit economics. Additionally, we are in the process of developing Grid 3.0, the next iteration of our fast charging system, which is focused on delivering higher charging power and further reducing the BOM cost of our fast chargers. We will also continue our R&D initiatives to improve our existing products, which allowed us to make 91 engineering changes in Fiscal Year 2024. Our continued focus on improving our unit economics, along with our capital efficient approach, echo our aim to achieve profitability in the future.

Reduction of BOM Cost for Ather 450X (2.9 kWh)



Note: BOM cost reduction on the Ather 450X (2.9 kWh) variant from the start of production in Fiscal Year 2021 to the end of Fiscal Year 2024.

Adjusted Gross Margins and Subsidies under the FAME/EMPS/PM E-DRIVE Scheme per E2W



Securing our cell supply chain through long-term partnerships.

We seek to enter into long-term supply arrangements with cell suppliers to ensure a stable and consistent supply of cells on favourable terms, and thereby improve value to our customers and competitiveness in the E2W market. For example, we signed a memorandum of understanding with LG Energy Solution Limited in February 2023 for the supply of lithium-ion cells and access to their latest cell technologies. Further, on August 1, 2024, we signed a non-binding and non-exclusive memorandum of understanding with Amara Raja Advanced Cell Technologies Private Limited (“ARACT”), a wholly-owned subsidiary of Amara Raja Energy & Mobility Ltd., pursuant to which ARACT will provide samples or prototypes of products involving NMC and/or LFP lithium-ion cells to us for testing and validation. Through this collaboration, we seek to share our own experiences and data-driven insights to facilitate the design, use and manufacture of lithium-ion cells that are customised for our E2Ws and manufacture them in India. Pursuant to the terms of the memorandum of understanding, once the products have been validated, ARACT will enter into a definitive business arrangement with us before commencing manufacture of the developed cells.

Our approach of partnering with third-party manufacturers for cell manufacturing enables us to take advantage of the declining cost of cells. The prices of lithium-ion cells and battery packs have been declining steadily in recent years according to the CRISIL Report. Moreover, as stated in the CRISIL Report, the average battery pack price is expected to further decrease from US\$115 per kWh in 2024 to US\$112 per kWh in 2025 and US\$80 per kWh in 2030. According to the CRISIL Report, scale is crucial to make economics work for cell manufacturing. Further, as stated in the CRISIL Report, depending on the battery technology chosen, the capital expenditure required to install 1 GWh of battery capacity ranges between US\$60 million to US\$100 million. As a result, establishing our own lithium-ion cell manufacturing facility would not be in line with our capital efficient strategy, given the substantial amount of capital and scale required.

This outsourcing approach also allows for additional flexibility with respect to the incorporation of new technologies and form factors across product lines. For instance, we use two different chemistries and cell form factors in our upcoming new E2W platform depending on the vehicle variant. In addition, this approach allows us to allocate more of our capital and resources into expanding our product portfolio and developing other vehicle and manufacturing technologies from which we are able to derive better cost efficiencies.

Continue to build the ‘Ather’ brand.

We have focused on building Ather into a brand which delivers quality user experience at every touchpoint, including Ather Space Experience Centres, digital touchpoints such as websites and social media, Atherstack

software experiences and the Ather app. We have undertaken a number of consumer engagement initiatives, including Open House events, the Ather Community Day and the creation of the Ather online community. In addition, we have also invested in consumer education on E2Ws through online content and at our curated experience centres. Moreover, to further our brand strategy as a pure EV company focused on delivering high levels of service, we had the widest footprint among 2W fast charging networks in India, as at December 2024, according to the CRISIL Report. Further, our total network footprint comprised 3,562 touch points, comprising experience centres and Ather Grid chargers, across 314 cities in India, Nepal and Sri Lanka as of December 31, 2024.

As compared to our prior initiatives, going forward, we will focus our brand engagement campaigns on building brand equity among a broader consumer base as we enter into the convenience segment. We will invest in large-scale brand awareness initiatives through mass media platforms to achieve our reach and awareness goals. Our engagement strategy will focus on (i) targeting customers through the Ather 450 portfolio by building on our established performance credentials; (ii) targeting customers through the Ather Rizta by emphasising features around comfort, convenience and safety; (iii) focusing on the core brand values such as quality, reliability and an enhanced user experience for all our product offerings; and (iv) expanding our charging infrastructure to remove adoption barriers for our E2Ws. We added 799 chargers to our Ather Grid in the nine months ended December 31, 2024, with 425 chargers being added in three months ended December 31, 2024 alone.

We will leverage a combination of traditional mass media, digital platforms, and our social media and influencer marketing channels. We will continue to strengthen the Ather community, fostering dialogue among members to share experiences and insights, thereby expanding organic brand loyalty. For instance, our Ather Community Day event gathers Ather owners from across India, strengthening relationships and updating them on new products. At our Ather Community Day event in 2024, 20,343 customers joined the livestream and 2,281 customers attended in-person. We will also conduct future Wheee camps, Wheee Campus, our campus engagement platform, and customer meetups through the PluggedIn program to educate users about our products.

We had 249,042 community members as at December 31, 2024. We will continue to invest in these initiatives at scale, aiming to attract more consumers to join the inclusive and supportive Ather community, establishing ourselves not just as an EV manufacturer but as the brand of choice.

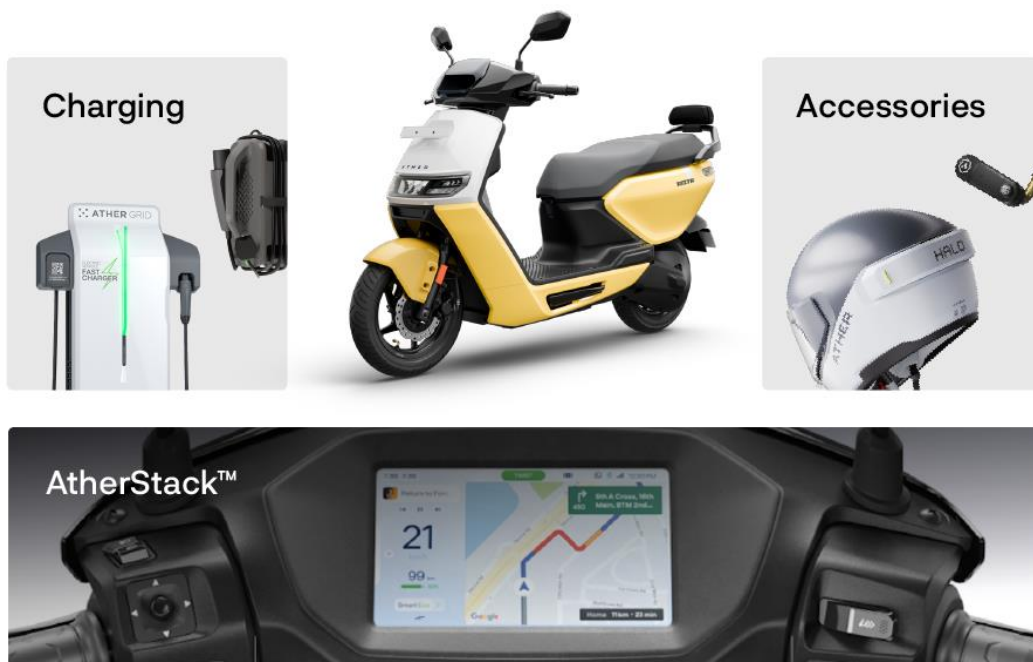
Pursue Selective Strategic Partnerships and Acquisitions.

In addition to growing our business organically, we may also pursue strategic partnerships and targeted acquisitions that complement our product portfolio, enhance our software and other service offerings or strengthen or establish our presence in our targeted overseas markets. We believe our existing technology platform will enable us to successfully and cost-effectively integrate our partners or new companies we acquire into our Ather ecosystem. While we have not entered into any agreements or commitments for any partnerships or acquisitions as at the date of this Red Herring Prospectus, we will continue to explore such opportunities. Any acquisition will be subject to diligence by us and obtaining any required corporate, lender and regulatory approvals. We plan to use cash from internal accruals and do not plan to use the proceeds from this Offer for any such acquisitions.

BUSINESS DESCRIPTION

Our Product Ecosystem

Our product ecosystem consists of our E2Ws, accessories, Atherstack software and charging infrastructure, as detailed below.



Our Scooters

We design, develop and manufacture E2Ws. We delivered our first scooter model, the Ather 450 in September 2018. Following that, we launched our flagship scooter, the Ather 450X in January 2020; the Ather 450S, our entry-level scooter, in August 2023; and our top-of-the-range scooter, the Ather 450 Apex, in January 2024.

With the Ather 450, we introduced connected features through a 3G SIM card, touchscreen dashboard, aluminium chassis and cloud integration for the first time in the E2W industry in India, according to the CRISIL Report. With the Ather 450X, we improved the model's performance with features such as Warp mode and Bluetooth-based features. The Ather 450X (Generation 3) introduced higher driving range options and the Ather 450X (Generation 3.1) introduced more colour options in January 2023. The Ather 450S, a more affordable model than the Ather 450X, features the DeepView display on the dashboard. With the Ather 450 Apex, we increased the 450 line's acceleration and top speed specifications and introduced new features, such as the Magic Twist, a ride feature that allows riders to utilise the vehicle's throttle for electronic braking regardless of the level of battery charge.

In Fiscal Years 2024, 2023 and 2022, we generated revenue from sales of vehicles of ₹15,706 million, ₹14,327 million and ₹3,702 million, respectively. This represents a CAGR of 106% for the past three Fiscal Years. In the nine months ended December 31, 2024, we generated revenue from sales of vehicles of ₹13,930 million, as compared to ₹11,015 for the corresponding period in 2023, representing a growth of 26%. With the introduction of each new E2W model, we also leveraged our R&D and design capabilities to introduce new features and performance upgrades while lowering our BOM costs.

The Ather Rizta, launched in April 2024, is our first convenience scooter model. It features a large seat, flat floorboard, low resistance tyres, reverse switch, safety features such as disc brake and traction control, WhatsApp notifications on dashboard, voice commands through Alexa Skills integration and, has an overall storage capacity of up to 56 L. The Ather Rizta comes in three variants and integrates many features from our Ather 450 product line. We commenced delivery of Ather Rizta variants in May 2024, and had sold 56,651 units of these variants as of December 31, 2024.

Our current E2W product portfolio comprises the following:

- Ather 450X (2.9 kWh)
- Ather 450X (3.7 kWh)
- Ather 450S
- Ather 450 Apex
- Ather Rizta S
- Ather Rizta Z (2.9 kWh)






- Ather Rizta Z (3.7 kWh)

In addition, in January 2025, we introduced updated versions of the Ather 450 series, featuring performance enhancements such as multi-mode traction control and an increase of up to 14% in range for the Ather 450X 2.9 kWh variant, along with two new colour variants across our Ather 450 series. We plan to further expand our product portfolio by launching E2Ws that cater to the broader 2W market with upgraded software features, including electric motorcycles. We are in the process of developing two new E2W platforms that are expected to further improve cost structures and enable us to launch products across a range of scooter and motorcycle segments.

We have designed our E2Ws from the ground up in India. We perform tests such as rain shower tests, water wading, vibration tests, thermal cycling tests, corrosion tests and cam drum tests. We apply industry standards in the testing and validation of our products, from the components to the final product, while also developing internal standards of testing to further validate our products' performance. For example, in the nine months ended December 31, 2024 and in Fiscal Year 2024, we performed 272 tests on our battery pack and its components in each period. All of our battery packs are tested to ensure an IPX7 waterproof rating and have undergone a variety of tests such as water resistance to be certified by the Automotive Research Association of India as per AIS 156. Our E2Ws are certified by relevant authorities and certification organisations, such as ARAI.

We have improved our Ather 450 product line from 2018 to 2024. Between the Ather 450 and the Ather 450 Apex, we have improved the peak battery capacity by 37%, our peak power by 30%, our top speed by 25% and our acceleration from 0-40 kmph by 26%, as of December 31, 2024. Meanwhile, our cost structures have improved. Compared to the Ather 450X (2.9 kWh) variant that was first launched in Fiscal Year 2021, we have lowered the BOM cost of this variant by 31% as of December 31, 2024. Meanwhile, compared to the Ather 450X (Gen 3) (3.7 kWh) that was first launched in Fiscal Year 2023, the BOM cost of this variant was reduced by 18% as of December 31, 2024.

Consistent product enhancement over generations

| Model (Launch date) | 450 Jun 2018 | 450X Jan 2020 | 450X Gen 3 Jul 2022 | 450X Gen 3.1 Jan 2023 | 450 Apex Jan 2024 |
|--------------------------|---|---|---|---|---|
| |  |  |  |  |  |
| Battery (kWh) | 2.7 | → +7% → 2.9 | → +28% → 3.7 | 3.7 | 3.7 |
| Range (km) | 97 | → +20% → 116 | → +26% → 146 | 146 | → +8% → 157 |
| Powertrain (kW) | 5.4 | → +11% → 6.0 | → +3.3% → 6.2 | 6.2 | → +13% → 7.0 |
| Top Speed (kmph) | 80 | 80 | 80 | → +12.5% → 90 | → +11% → 100 |
| Acceleration (0-40 kmph) | 3.9s | → -15% → 3.3s | 3.3s | 3.3s | → -12% → 2.9s |

All E2W purchases come with a standard portable charger that can be plugged into any 6A socket. In February 2024, we also launched our new Ather Duo charger, which can be fixed on walls through our wall mount accessory or be used as a portable charger. For further details, see “*Our Charging Infrastructure — Our Portable Chargers*” on page 295.

In addition, customers have the option to purchase the Ather Pro Pack together with their E2W, for a fixed fee which varies based on the vehicle model. See “*—Atherstack Software*” on page 283.

Atherstack Software

The Atherstack is our software that we developed in-house which powers our EVs, charging infrastructure, accessories and mobile applications, such as the Ather app and the Ather Grid app. It enables us to provide customers with an integrated user experience, with features related to navigation, analytics, ride assistance, safety and productivity, as well as integration with our charging infrastructure and smart accessories. Since the introduction of the Atherstack with the ride modes feature in Fiscal 2019, we have made 68 additions to the features, as of December 31, 2024.

Customers are able to purchase the Atherstack software through the Pro Pack bundle for a fixed fee ranging from ₹13,000 to ₹20,000 at the time of purchasing the E2W, as of December 31, 2024. The fee varies based on the E2W model. When purchased separately, the price of the Pro Pack starts from ₹35,000, as of December 31, 2024, depending on the E2W model. The Pro Pack unlocks Ride Assist features and provides a three-year access to Ather Connect features. Ride Assist features include AutoHold, Park Assist, true range display, Emergency Stop Signal and Magic Twist, while Ather Connect covers features such as vehicle connectivity, remote tracking and access to OTA software updates. The Pro Pack also includes an extended battery warranty package under the Ather Battery Protect program.

After three years, customers may opt to pay a subscription charge to continue accessing Ather Connect features which require internet connectivity.

We have regularly introduced OTA upgrades to our Atherstack software. Atherstack 6.0, our latest version, was launched in April 2024. The Atherstack 6.0 includes a new user interface, an app redesign and features such as WhatsApp notifications on dashboard, ping my scooter, live location sharing and voice commands through Alexa Skills integration. In January 2025, we launched a new user interface for our scooters in Hindi language as a part of Atherstack.

The table below showcases various features that we have added to the Atherstack with each new generation:

Comparison of Past Generations of the Atherstack

ATHERSTACK

| | | |
|--|---|--|
| v0 Jun'18 <ul style="list-style-type: none"> Ride Modes | v4 Dec'22 <ul style="list-style-type: none"> Money saved CO₂ saved Navigate to my scooter Trip Planner on app Customer Support on App (View/Raise tickets) Support on app Live status of Ather grids on app Ather Neighbourhood Chargers on app Report Ather grid issues on app | v6 Apr'24 <ul style="list-style-type: none"> Ride visualisation Monthly stats Green score Monthly stories Sticky notifications Intercity Trip Planner (Multi-grid) |
| v0.1 - v0.8 Sep'18 - Dec'20 <ul style="list-style-type: none"> Google maps Bookmark locations Send location to scooter ETA visibility Ride metrics Personalized range in each mode TrueRange™ display Guide-me-home lights Park Assist - Reverse Park Assist - Forward Theft and tow alerts OTA updates Document storage on dashboard Dashboard Auto brightness Dark Mode | v5 Jan'23 <ul style="list-style-type: none"> Live traffic view Preloaded routes Turn-by-turn instructions Send to scooter via WhatsApp Traffic on route Perspective view on maps Achievements See previous rides Lifetime highlights AutoHold™ Interactive UI Coasting Regen Magic Twist™ Emergency Stop Signal Vehicle FallSafe™ Optimised Charging 2.0 Multi-stop Trip Planner Wings of Power Widget X - Contextual & personalised notifications on home screen Service booking Live service tracking Service job cards Service reminders View service centres on the map | v6 Sept'24 <ul style="list-style-type: none"> Ping My Scooter Alexa integration WhatsApp preview on dashboard Call decline with a message Live location sharing |
| v1 Mar'21 <ul style="list-style-type: none"> Auto indicator cut-off Bluetooth connectivity to scooter Music Control Call Control | | |
| v2 Sep'21 <ul style="list-style-type: none"> Auto theme switching Find a charger | | |
| v3 Apr'22 <ul style="list-style-type: none"> SmartEco mode Find My Scooter TPMS (Tyre Pressure Monitoring System) | | |

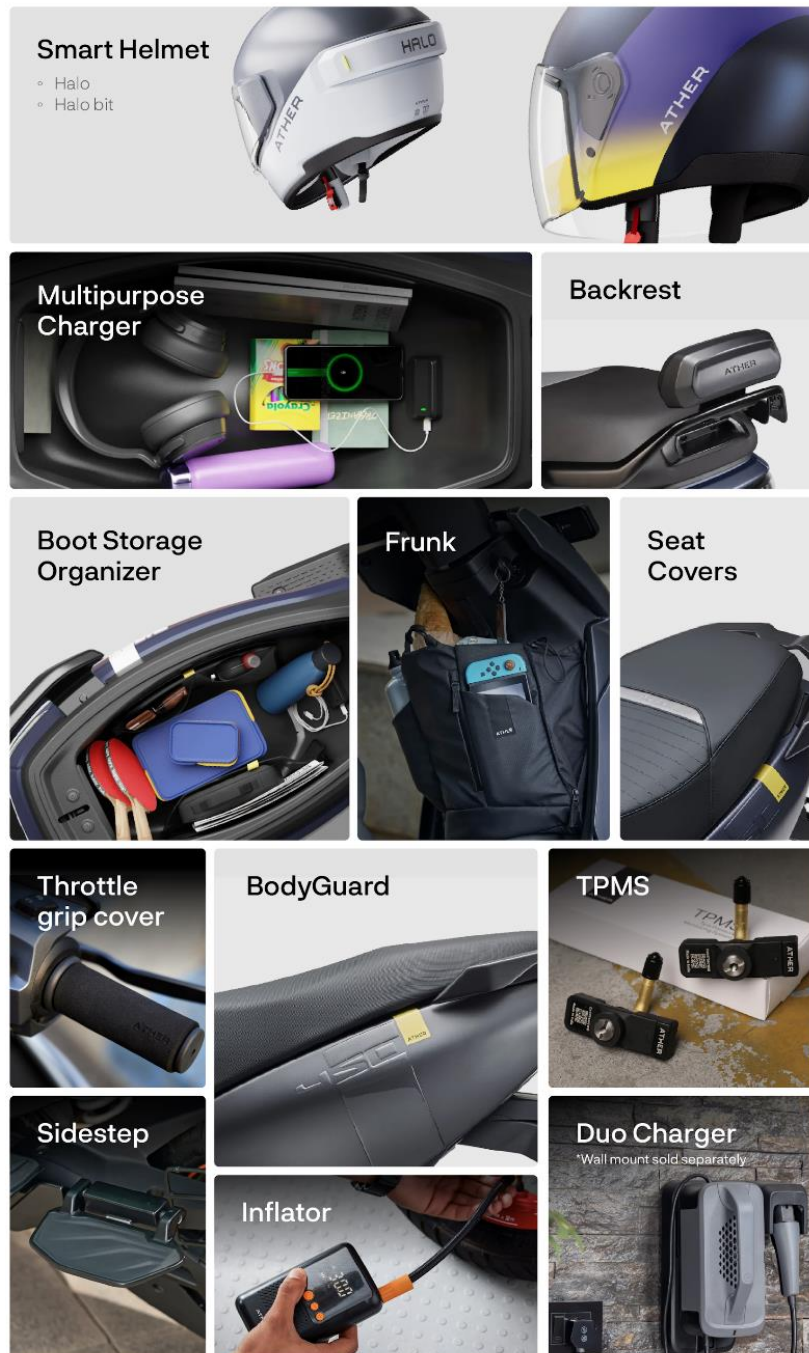
- Navigation**
Features that enhance navigation experience
- Ride statistics**
Features that provide analytics about the scooter and rides taken.
- Safety**
Rider and vehicle safety features
- Ride Assist**
Features that enhance core riding experience of the scooter
- Convenience**
Features that reduce manual effort or enhance an existing experience
- Connectivity**
Features that keep the scooter connected to another smart device
- Smart Accessories**
To bring out the best of performance and convenience in every ride
- Utility**
Hygiene features

Our Accessories

According to the CRISIL Report, a relatively price agnostic customer base, feature-rich vehicles and young buyers that prefer high performance and advanced features, has driven the premiumisation trend in scooters. Branded accessories form an integral part of the 2W industry. The revenues from accessory and merchandise sales contributed to ~10% to ~15% of the revenues of traditional ICE 2W OEMS, according to the CRISIL Report. Such accessories and merchandise, according to the CRISIL Report, are high gross margin (25% to 30%) products

and help to promote the brand for OEMs. We have designed and developed accessories that are integrated with our ecosystem.

We currently sell the following accessories:



Our tyre inflator is capable of inflating up to six tyres in a single charge and comes in five inflation modes, which range from 2W to toys. Further, the tyre inflator can be used as a torch (in three different light modes) and a 4,000 MAh power bank. Our tyre pressure monitoring system is capable of sharing real time tyre pressure updates, which are displayed on the dashboard and can also send alerts to the rider's Ather app. We also offer other accessories such as throttle grip covers, which provide non-slip grip, scooter covers to protect the scooter from exposure to water, dust and heat, and body guards.

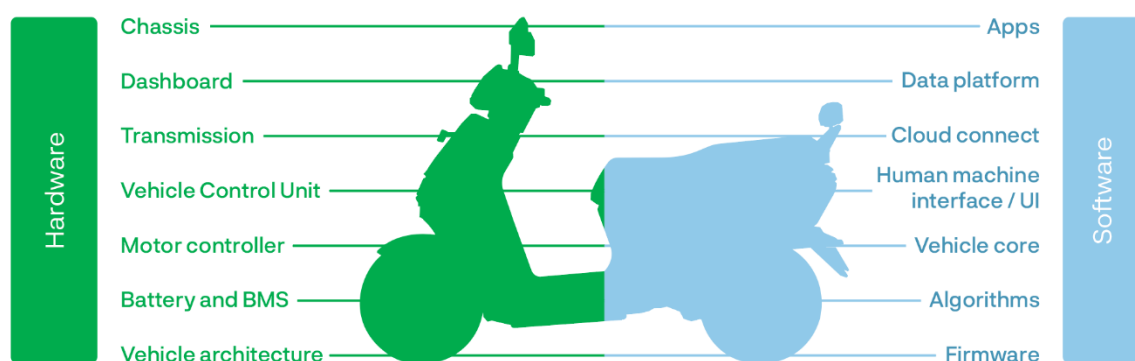
In April 2024, we introduced our in-house designed smart helmets, the Halo and Halo Bit, to further enhance the riding experience. The Halo smart helmet offers features such as ChitChat – a helmet-to-helmet communication system, a premium sound system, a microphone equipped with noise filtration, in-boot wireless charging with the Ather Rizta and Auto WearDetect sensors that automatically connects the helmet with the user's phone when worn. The Halo Bit is a device that can be attached to an Ather half-face helmet to provide the user with access to some of the Halo smart helmet functions, such as ChitChat, music sharing and ambient noise reduction. Our smart helmets also feature music and call control to improve the rider's experience. The Halo smart helmet retailed for ₹9,999 and the Halo Bit retailed for ₹4,999, as of December 31, 2024. We commenced Halo smart helmet deliveries in September 2024 and have sold 851 units as of December 31, 2024.

In the nine months ended December 31, 2024 and December 31, 2023, and in Fiscal Years 2024, 2023 and 2022, the total revenue from accessories was ₹251 million, ₹139 million, ₹193 million, ₹142 million and ₹4 million, respectively.

Our Design and R&D Capabilities

We employ a vertically integrated approach to design, which is centred around the user experience. According to the CRISIL Report, the key components of an E2W are the charger, battery pack, BMS, motor, motor controller, transmission, chassis, dashboard, DC-DC converter, harnesses and VCU. We designed 80% of these key components in-house, as of December 31, 2024. In addition we also develop our entire software stack, Atherstack, in-house.

Between 2013 to 2018, we focused our R&D capabilities on the development of the battery pack, BMS, chassis, electronics, charging infrastructure and the first version of Atherstack for the Ather 450 platform. Since the launch of our first product, the Ather 450 in 2018, our R&D efforts have expanded to focus on initiatives such as improving the cost, scalability and features of our E2Ws. This was achieved through projects such as the development of our in-house Ather Drive Controller, an in-house transmission system, a larger battery pack, smart accessories and subsequent versions of the Atherstack. These efforts led to the launch of the Ather 450X, Ather 450S and the Ather 450 Apex. More recently, we focused our R&D efforts on the development of the Ather Rizta and the Halo line of smart helmets.



As designing key components in-house is crucial to producing quality products at low cost structures and focusing on user experience, we have built capabilities in areas such as battery technology, power electronics, structural design, industrial design and software development. Our R&D team is seated across our R&D facilities in Bangalore, India. These facilities have enabled us to reduce our reliance on third-party suppliers and their proximity to our Corporate Office has improved the internal collaborative efficiency. As of December 31, 2024, our R&D team comprised 731 on-roll employees. Our R&D facilities serve as the innovation hub where ideas are transformed into tangible products through rigorous testing, experimentation and refinement. Further, these facilities also play a pivotal role in our ability to maintain quality control standards throughout the product

development lifecycle to develop reliable and quality E2Ws. The majority of our engineers work from our IBC Knowledge Park office, while product testing is conducted in our Proto Lab.

Details of our R&D facilities are as follows:

- IBC Knowledge Park, Bangalore, India – this facility spans 73,944 sq. ft. and seats our industrial design and engineering teams. We carry out key tasks such as clay modelling, cell characterisation, electronics testing and engineering simulations here. Apart from seating our engineers, this facility also houses our industrial design studio, software testing labs, integration lab, electronics testing labs and simulation equipment.
 - Situated within the IBC Knowledge Park is the Cell Lab, in which we test different cell technologies and guide our suppliers in developing cells customised for optimal performance on our vehicles. We test cells for performance, ageing and safety. These tests enable us to observe the performance parameters of cells under various conditions. This involves conducting a series of standardised tests, such as capacity measurements, charge and discharge cycles, thermal tests and ageing studies, to ensure the battery cells meet industry standards and Ather's internal requirements. Our Cell Lab is equipped to simultaneously test a variety of cells from multiple suppliers in an automated fashion.
 - The IBC Knowledge Park also houses our electronic testing facilities and integrates testing facilities that allow us to perform tests at the component and system level for our electronic systems.
 - The labs located in the IBC Knowledge Park R&D facility are certified by the Department of Scientific and Industrial Research as 'In-house' R&D Units, which enable us to obtain exemptions from customs duty on R&D-related imports.
- Proto Lab, NS Palya, Bangalore, India – houses the battery and vehicle durability testing facilities. The facility spans 20,300 sq. ft. and houses test equipment for durability testing. We test our battery packs here and evaluate various aspects of battery performance, such as structural integrity, charging efficiency, cycle life and safety. By subjecting batteries to simulated real-world conditions, such as extreme temperatures and usage patterns, engineers can identify potential weaknesses and optimise battery designs for maximum durability and longevity. Our vehicle testing facilities at the Proto Lab play a crucial role in ensuring the overall quality and reliability of Ather E2Ws. These facilities are equipped with instrumentation and testing protocols to evaluate every aspect of vehicle performance, from acceleration and braking to handling and ride comfort. Engineers scrutinise each component and subsystem, conducting exhaustive tests to detect and rectify any defects or shortcomings.
- Product Validation Lab, Begur, Bangalore, Karnataka, India – We commissioned this facility in January 2024, which spanned 38,692 sq. ft. as of December 31, 2024. The lab facilitates on-road durability and mechanical durability testing processes. It also features a vehicle vibration testing machine. This facility also houses a reliability test lab, structural dynamics lab, battery test lab, vehicle environment test lab and data acquisition lab.

Our R&D Facilities



Proto Lab
NS Palya, Bengaluru
20,300 sqft Area

IBC Knowledge Park,
Bengaluru
73,944 sqft Area



Product Validation Lab,
Begur, Bengaluru
38,692 sqft Area

Our Technology

Our current vehicle line-up, comprising the Ather 450X, Ather 450S, Ather 450 Apex and Ather Rizta, is built on the Ather 450 platform. The Ather 450 platform was designed over a period of five years from 2013 to 2018, during which we have continuously improved upon it since its inception. It consists of various technologies that provide common building blocks that we can leverage to develop and manufacture different products that cater to a variety of customer preferences.

Our technology platform is composed of five key interconnected elements: (i) battery, (ii) powertrain, (iii) electronics, (iv) chassis and (v) the Atherstack.

Our Batteries

We design and manufacture our battery packs in-house. We source lithium-ion cells from suppliers and manufacture the battery packs at the Hosur Factory. Our battery packs have undergone several design iterations. We have designed our battery packs to be compatible with cells from different vendors and our in-house manufactured BMS to be compatible with different sources of semiconductor chips to ensure our supply chain resilience. We currently manufacture two sizes of battery packs, 2.9 kWh and 3.7 kWh batteries, on the same platform.

All battery components are enclosed in die-cast aluminium casing. Aluminium casings have better thermal conductivity compared to other alternative materials such as steel or plastic, according to the CRISIL Report. Our battery packs house 21700 form factor lithium-ion cells, in-house designed battery management system, cell interconnections and a thermal management system. Our battery management system has 25 different protection features to protect the battery from being used outside of the recommended limits. Our BMS uses our proprietary embedded software and algorithms, which has resulted in features like Smart Eco designed to provide accurate range and longer use. Further, our patented thermal management system utilises phase change materials that cater to Indian weather conditions and ensure consistent performance without overheating. Our batteries undergo 272

tests, including optional tests that go beyond what is required by the Automotive Research Association of India as part of the Automotive Industry Standards 156. Our batteries are IP X7 rated and are built on custom-designed semi-automatic production lines.

Our Battery



Our Powertrains

Our powertrain comprises the ADC, permanent magnet synchronous motor (“**PMSM**”) and a two-stage synchronous belt transmission system. The Ather 450 platform’s powertrain caters to products with a peak power range of 4.3 kW to 7 kW and a peak torque range of 170N-m to 210N-m, which enabled us to cater to a wide variety of customers using a single powertrain package, thereby allowing us to leverage on the economies of scale to lower our costs.

We have designed and developed the ADC in-house to maintain control over the power delivery process. This has enabled us to deliver features such as the Magic Twist, a ride feature that utilises the E2W’s throttle for electronic braking regardless of battery charge level, the SmartEco mode, which dynamically adjusts power delivery to ensure a longer driving range and traction control which adjusts torque to the rear wheel to prevent skidding. We also designed the ADC to be compatible with multiple types of semiconductor chips for supply chain resilience.

Our PMSMs, sourced from leading motor suppliers, Mahle Electric Drives India Private Limited and Nidec India Private Limited, are customised for both low and high power vehicle models. The PMSM’s placement in the chassis as a mid-drive motor at the centre of our scooter results in better handling and stability. It is mounted on the vehicle frame rather than the swingarm or wheel, which, according to the CRISIL Report, isolates it from road shocks and protects it from mud and dust. All of our E2Ws have a throttle response of 90 milliseconds, as of December 31, 2024, delivering near instantaneous power to the wheels.

Our Powertrain



Our Electronics

We design all of our critical electronics modules in-house. Such electronics modules include the VCU, DC-DC converter, touch screen dashboard, charging systems, harnesses and smart helmet platform. Our in-house design approach enables us to create modular components that can be adapted for use in different vehicle models, thereby accelerating product development timelines. Moreover, this approach has allowed us to quickly adapt to global supply chain fluctuations, such as by redesigning our electronics modules to support various types of semiconductor chips. Further, we were also able to package multiple functionalities, such as the DC-DC converter, VCU and junction box, into a single module, as well as the battery, wireless charger, speaker, microphone and Bluetooth module in a compact form factor for our Halo smart helmets. All our electronics, including our BMS and ADC, are powered by our in-house developed embedded software and algorithms.

Our Halo Smart Helmet



According to the CRISIL Report, we were the first E2W company to develop a touch-screen dashboard, which offered our customers access to a number of connected features, such as map-based navigation, OTA updates, internet connectivity, guide-me-home lights and ride statistics. All of our electronics undergo a variety of tests which seek to ensure compliance with existing standards and maintain quality.

We have also designed our charging connector technology and protocol for fast chargers. Our fast chargers can charge our E2Ws at 15 km per 10 minutes and have been engineered to be scalable. As of December 31, 2024, the BOM cost of one of our fast charging systems was ₹61,341. We are in the process of developing Grid 3.0, the next iteration of our fast charging system which is focused on delivering higher charging power and further reducing the BOM cost of our fast chargers. Our neighbourhood chargers are engineered to provide 3.3 kW of power and can be easily installed, which we believe will promote uptake from our public charging hosts. These design specifications accommodate different charge currents and alleviate charging anxiety, furthering our aim to promote a more widespread adoption of EVs.

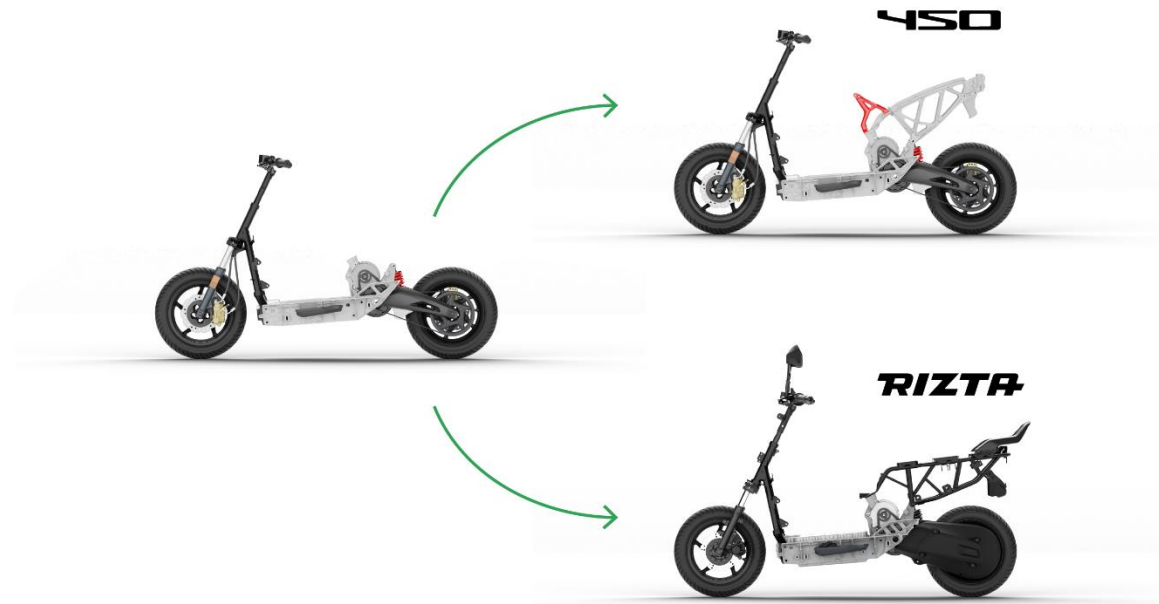
Further, our signal harness, which is comparable to the ‘nerves’ of our scooters, is also designed in-house. The harness transmits all critical signals across various sub-systems. Our in-house design has allowed us to ensure low signal noise, which led to reliable and consistent vehicle performance.

Our Chassis

The 450 chassis, used in our current E2W line-up of Ather 450 models and the Rizta model, is a hybrid aluminium and steel chassis. We designed the 450 chassis from the ground-up for our E2Ws, with a centrally mounted mono-shock suspension and low centre of gravity which provides for a balanced ride. The chassis also enables a more even distribution of weight between the front and the rear wheels. Unlike welded chassis, our chassis platform is bolted together allowing customisation based on product needs. This enables us to adjust it for an aluminium rear

frame in the Ather 450 models and a steel rear frame in the Ather Rizta model to fulfil the respective needs of each model. All other critical interfaces such as battery and powertrain on the scooter remain the same.

Our Chassis



We are developing two new vehicle platforms, comprising a new scooter platform and a motorcycle platform. The new E2W platform will serve as a more cost-effective and versatile platform for the development of our scooter lines. It will feature a new powertrain, electronics and chassis platform while using elements of the battery and Atherstack from the Ather 450 platform. The new E2W platform will also enable us to develop a wide range of scooter body types on the same platform. We are designing a versatile motorcycle platform to address the electrification of the 125 cc and above motorcycle segments and support multiple body types.

The Atherstack

We also designed and developed in-house, the Atherstack, our software that powers our E2Ws, charging infrastructure, accessories and mobile applications. The Atherstack allows us to gain insight on usage patterns of customer cohorts that we analyse to further advance our vehicle features, quality and performance in line with evolving customer needs.

The Atherstack is composed of several elements, which include algorithms, firmware, Ather Software Development Kit (“**ASDK**”) Application Programming Interface (“**API**”), middleware, data platform, HMI and applications. These elements work together to provide our customers with an integrated experience.

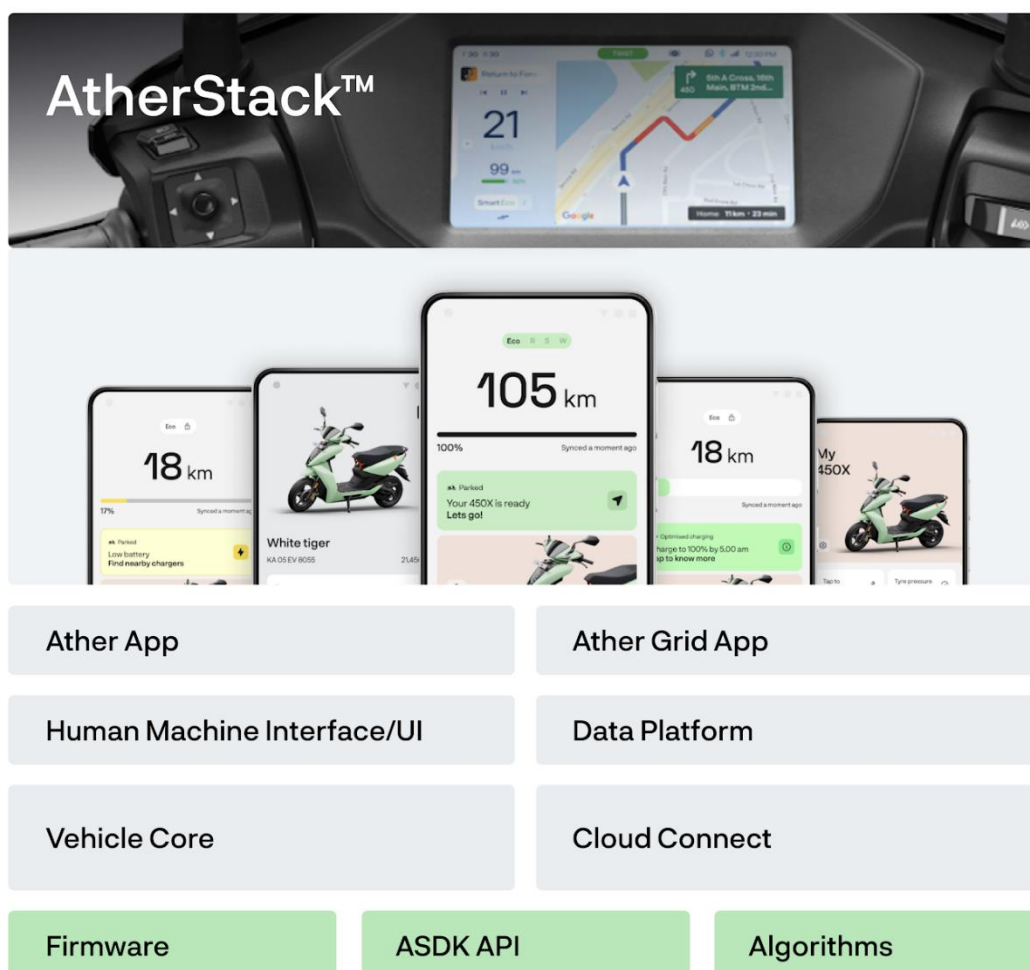
The ASDK is an API, which enables our engineers to develop firmware for the various vehicle systems within accelerated timelines. The firmware was developed in-house and incorporates algorithms to perform functions such as motor control, battery protection and regenerative braking.

The firmware of various systems communicates with the middleware, which is programmed on the Android open source platform. The various modules of firmware communicate over the Controller Area Network (CAN bus) which is akin to the vehicle’s nervous system and transmits information to and from various components of the vehicle. The vehicle core and cloud connect process data from the various sub-systems based on advanced algorithms designed in-house and communicate with the Ather Data Platform to upload relevant data from the vehicle to the cloud. Our software capabilities, in particular, our firmware and algorithm development capabilities, have enabled us to develop a number of ‘RideAssist’ features in the Atherstack. The RideAssist features are an advanced rider assistance system that enhances rider safety, comfort and the overall ride experience through the

integration of sensors, communication systems and artificial intelligence. These algorithms enable several ‘intelligent’ features including range estimation, auto-indicator cut off, AutoHold, Magic Twist and Fall Safe.

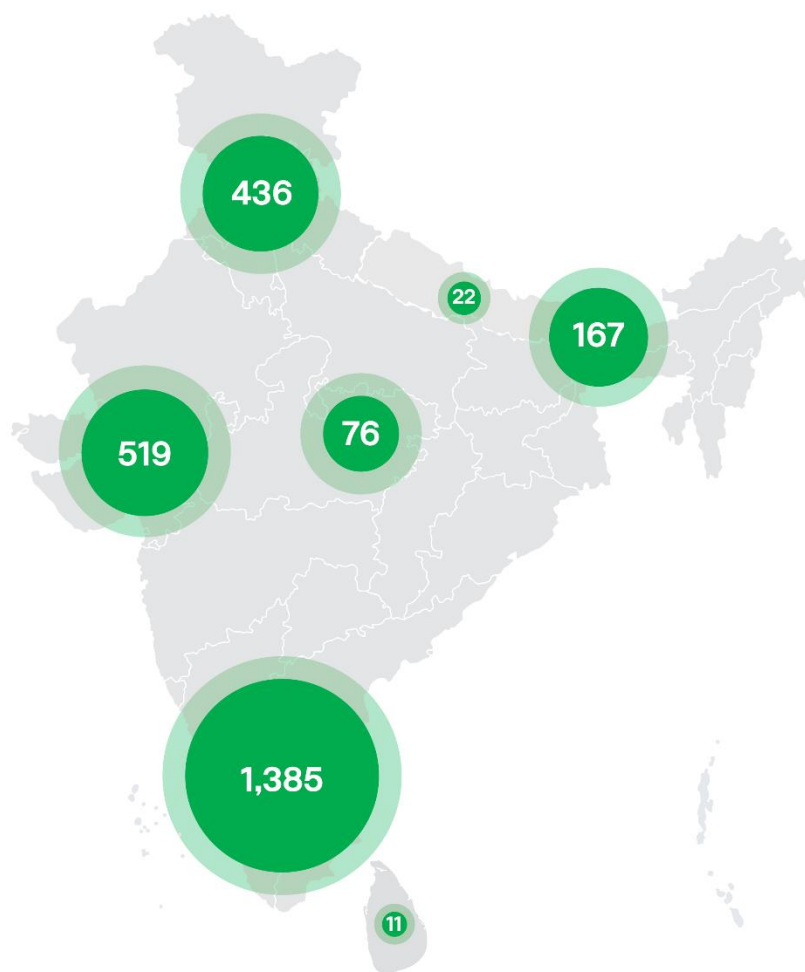
The Ather Data Platform is a cloud management software that was developed in-house. The Ather Data Platform processes the data from our E2Ws in real-time and extracts insights. This involves data stream processing, data batch processing and data warehousing, along with management of OTA updates. This data platform enables us to perform real-time diagnostics on our vehicles. For example, on December 31, 2024, the Ather Data Platform processed and stored 1.48 terabytes of data. The encrypted data is transferred over the network securely without any interceptions. For further details on data privacy management, see “–*Data Security and Protection*” on page 313. Further, we design the HMI in-house using the Android open-source platform. Each E2W model has a customised HMI to ensure a seamless and specific user experience.

The Ather Grid app and the Ather mobile app serve to connect our ecosystem, comprising our E2Ws, chargers and accessories. These apps leverage the Atherstack to provide a number of product features on our users’ phones, such as real-time scooter location tracking, finding the nearest Ather Grid on route, and booking an appointment for vehicle servicing.



Our Charging Infrastructure

Ather's Charging Infrastructure Across India, Nepal and Sri Lanka



Note: Ather Grid distribution across India, Nepal and Sri Lanka as of December 31, 2024.

We offer charging solutions covering all use cases: (i) the Ather Grid, a public charging network comprising fast chargers in India, Nepal and Sri Lanka, and neighbourhood chargers spread across India, and (ii) portable chargers for home charging. The Ather Grid is accessible by both Ather EV owners and owners of other branded EVs. The table below sets out details of the Ather Grid as of December 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022.

| | As of December 31, 2024 | 2024 | As at March 31, 2023 | 2022 |
|---------------------------------------|----------------------------|-------|-------------------------|------|
| Fast Chargers | 2,616 | 1,973 | 1,175 | 291 |
| Neighbourhood Chargers ⁽¹⁾ | 666 | 510 | - | - |

Note:

(1) We began commissioning neighbourhood chargers in Fiscal Year 2024.

Within our Ather Grid Network, while we charge charging fees at 2,974 fast chargers and neighbourhood chargers, we offer free charging services to Ather customers at 308 fast chargers located in select regions (this includes all 22 fast chargers in Nepal and 11 fast chargers in Sri Lanka), as of December 31, 2024.

Our Ather Grid Fast Chargers



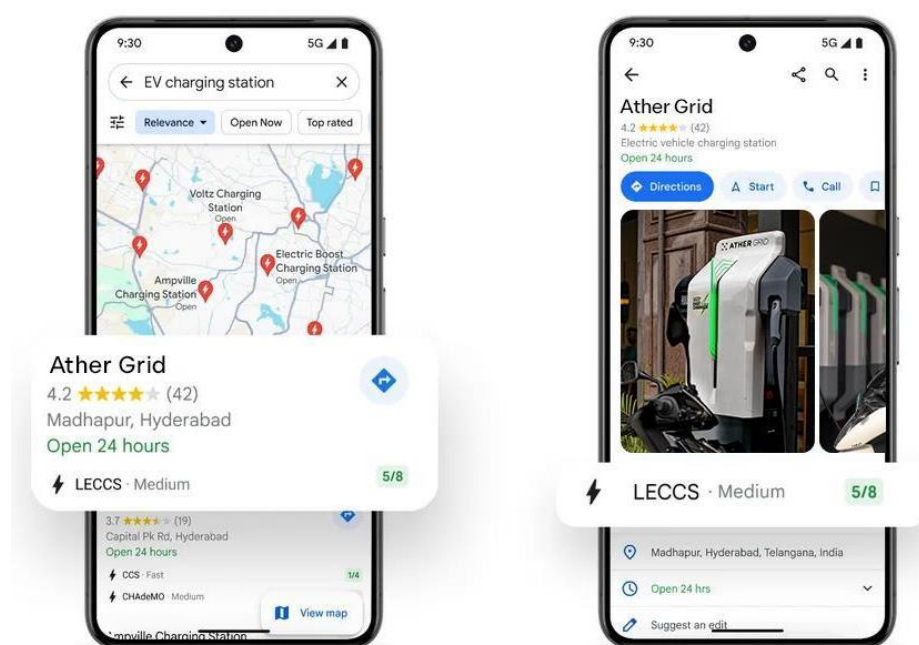
According to the CRISIL Report, unavailability and slow development of charging infrastructure are barriers to the adoption of EVs in India. In 2018, we established the first 2W fast charging infrastructure in India, the Ather Grid, to increase the accessibility of charging solutions to our customers. As at December 31, 2024, the Ather Grid had the widest footprint among 2W fast charging networks in India, according to the CRISIL Report.

Our fast chargers are direct current chargers that can charge E2Ws at the rate of 15 km per 10 minutes and accessible by Ather E2W owners and customers of EV OEMs with whom we have partnered. For charging at the fast chargers, we charge Ather E2W owners a fee of ₹1 per minute and charge our partner EV OEMs a fee of ₹0.95 per minute for charging services availed by their respective customers.

We leverage data collected from the Atherstack to identify key locations for setting up our fast chargers and partner with hosts such as petrol stations, cafes and restaurants to install and maintain our fast chargers on their business premises. We have established partnerships with companies such as Bharat Petroleum Corporation Limited, Sangeetha Mobiles Private Limited and Cafe Coffee Day Global Limited to install our public fast chargers. Our arrangements with hosts are either free or on a rental or revenue sharing basis.

We designed our own in-house LECCS and protocol for our fast chargers. Our generation 2.1 fast charger can charge for a range of up to 15 km in 10 minutes. To encourage the update of a common charging standard and encourage EV adoption, we open sourced our LECCS in 2021. In August 2023, BIS published our LECCS as a national standard. This has, in turn, made our fast chargers interoperable across all EVs using the same charging standard, regardless of vehicle brand. Any EV owner using our LECCS can charge their EVs at our Ather Grid fast chargers. On November 23, 2023, we entered into a collaboration agreement with Hero MotoCorp Limited (the “**Collaboration Agreement**”) to enable the interoperability of charging stations, which extended our customers’ access to an additional 1,000 fast chargers, according to the CRISIL Report. For further details on the Collaboration Agreement, please see “*History and certain corporate matters – Other material agreements*” on page 333.

Further, we entered into a partnership with Google Asia Pacific Pte Ltd. in March 2024. Pursuant to the terms of the partnership agreement, since July 25, 2024, Google Maps users are able to find Ather Grid fast chargers with live status updates on Google Maps when searching for LECCS-based chargers.



Through the establishment and continued expansion of our Ather Grid, we seek to address consumer anxiety over charging options, which we believe will facilitate vehicle electrification in India and build the ‘Ather’ brand.

In addition to the Ather Grid, EV users also have access to fast chargers offered by other E2W players in the Indian market. The following table sets out the fast-charging speed for our 450X variant compared to models offered by other E2W players, as of December 31, 2024, according to the CRISIL Report.

| E2W Player | E2W Model | Charging Speed |
|-------------------------------|------------------|--------------------------------|
| Ather Energy Limited | Ather 450X | 15 km per 10 minutes |
| Hero Motocorp Limited | V1 Plus | 1.2 km per minute |
| Ola Electric Mobility Limited | S1 Pro (2nd gen) | 50 km per 15 minutes |
| TVS Motors Private Limited | iQube | 2 hours and 50 minutes (950 W) |

Our Ather Grid Neighbourhood Chargers

Neighbourhood chargers are 3.3 kW alternating current charging points which are accessible to the public and compatible with electric two-wheelers, three-wheelers and four-wheelers. We partner with Ather hosts who wish to install neighbourhood chargers at locations such as apartment blocks, office buildings and university campuses. The charging fee for neighbourhood chargers varies by location, depending on the terms of our agreements with the relevant host that installed and owns the charger. The charging speed varies based on the customer’s portable charger’s wattage. Customers can start charging by connecting their own portable charger cord to our neighbourhood charger and are able to track and pay for the charging session through the Ather Grid app.

We reimburse our hosts for the cost of electricity used at specified tariffs. As of December 31, 2024, we had 666 neighbourhood chargers installed across 13 cities in India. We operate our neighbourhood chargers through either a host operated or Ather operated model. In the former case, hosts purchase our neighbourhood chargers and receive revenue generated from the installed chargers. Under the Ather operated model, we install and operate the neighbourhood chargers for a service fee negotiated annually.

Our Portable Chargers

Our portable chargers work with any 6A plug points and can be carried along in our scooter boots.

In February 2024, we introduced the Ather Duo, our 700W fast charger which can be portable or fixed and is sold with the Ather 450X 3.7 kWh model. The Ather Duo may also be purchased separately for owners of other Ather models at a retail price of ₹13,999 alone or as a bundled package with the wall mount charger at a retail price of ₹14,999, as of December 31, 2024. The wall mount charger can also be purchased separately for ₹2,599, as of December 31, 2024.

Our Value Added Services

Warranties

We offer our E2W owners a standard three-year/30,000 km (whichever is earlier) scooter warranty and a three-year warranty on our charger. While the Ather 450 Apex comes with a five-year/60,000 km (whichever is earlier) battery warranty, we offer a three-year/30,000 km (whichever is earlier) battery warranty for other E2W variants.

Customers who purchase the Pro Pack receive an extended battery warranty of an additional two years/30,000 km (whichever is earlier) under the Ather Battery Protect program for a price of ₹1, which will give customers access to a total of five years/60,000 km (whichever is earlier) of coverage. The extended battery warranty can be purchased separately for a price of ₹6,999, as of December 31, 2024. Our extended battery warranty covers any electronic failures on the battery including reduction in the state of health of the battery below 70% within five years and cases of deep discharge. There is no limit on the value of claims brought under the Ather Battery Protect program.

Following the expiration of the applicable warranty period, customers will bear the costs associated with the replacement of parts and the related labour charges. Customers who have purchased any of our Ather Care plans will enjoy discounts on such periodic maintenance costs and wear-and-tear parts.

In addition, in November 2024, we launched the Eight70 warranty program, available at ₹4,999 for all variants, exclusively for customers who have already purchased the Pro Pack. The Eight70 warranty program offers a minimum 70% battery state-of-health assurance and provides coverage for up to eight years or 80,000 kilometres, whichever comes first. The Eight70 warranty program addresses concerns related to long-term battery health, performance, and replacement costs. We also plan to introduce a new extended comprehensive warranty program which will extend the vehicle and charger warranty to five years / 60,000 km (whichever is earlier).

Roadside Assistance

We partner with third-party service providers to provide roadside assistance, which covers situations such as a flat tire, charge runout, scooter breakdown and accidents. Once a vehicle is picked-up, it will be towed to the nearest experience centre, service centre or Ather Grid or wherever else the situation demands.

Customers may subscribe for the Ather Roadside Assistance plan through the Ather app for an annual fee of ₹999, as of December 31, 2024. Under the plan, roadside assistance for up to 100 km from the nearest Ather touchpoint is free of charge, with every additional kilometre subject to a fee of ₹22. Customers may avail themselves of this service within the 12-month subscription period.

Ather Care

Our E2W owners have the option to purchase a vehicle maintenance plan under Ather Care, which covers the cost of certain vehicle maintenance services within our network of service centres. Through Ather Care, we offer three tiers of maintenance plans with varying fees and service coverage. The Ather Care plans are valid for a year/10,000 km (whichever is earlier).

Financial Packages

We have partnered with banks and non-banking financial companies such as L&T Finance Limited to offer vehicle financial options to our customers under our Flexipay financing solution. Loans can be made available to our customers with interest rates starting at 5.75% and flexible tenures ranging from three to 60 months, as of December 31, 2024.

The Flexipay financing solutions aim to make our E2Ws more affordable and advance the adoption of E2Ws in Indian households, thereby improving social mobility and enabling Indian households across the income spectrum to participate in the transition to EVs.

The number of customers who opt to finance their vehicle purchases has grown by a CAGR of 198% between Fiscal Years 2022 and 2024, and 29% in the nine months ended December 31, 2024 as compared to the corresponding period in 2023. The following table shows the percentage of scooters purchased that were financed with bank loans through our partner financial institutions in the periods indicated.

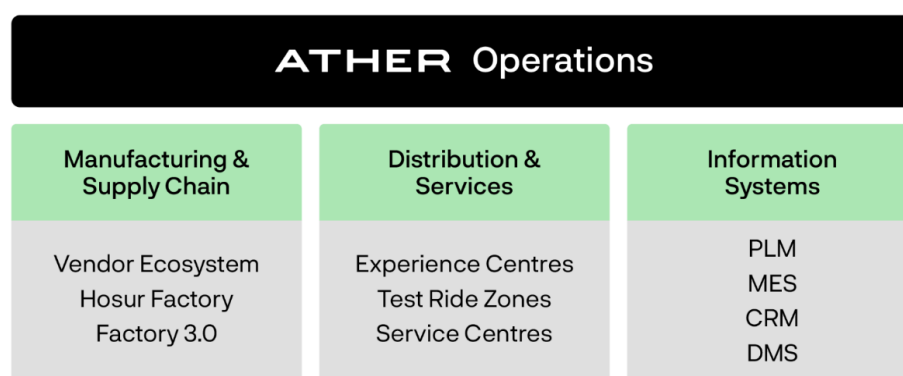
| | Nine months ended December 31, | | Fiscal Year | | |
|---|--------------------------------|------|-------------|------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Percentage of scooters purchased with financing (%) | 46% | 48% | 48% | 37% | 27% |

We also plan to introduce financial packages such as battery as a service, which could reduce the upfront purchase cost of our E2Ws.

Our Operations Ecosystem

Our operations ecosystem consists of our manufacturing facilities, supply chain, distribution and service network and information systems.

Our Operations Ecosystem



The following table provides an overview of the E2W components designed in-house, manufactured in-house and outsourced to suppliers for manufacturing.

| E2W component | Designed in-house | Manufactured in-house | Outsourced manufacturing |
|--------------------------------|-------------------|-----------------------|--------------------------|
| Battery Pack (excluding cells) | ✓ | ✓ | |
| Motor | | | ✓ |
| Transmission | ✓ | | ✓ |
| Motor Controller | ✓ | | ✓ |
| Vehicle Control Unit | ✓ | | ✓ |
| Dashboard | ✓ | | ✓ |
| DC-DC Converter | ✓ | | ✓ |
| Harnesses | ✓ | | ✓ |
| Chassis | ✓ | | ✓ |
| Charger (portable)* | | | ✓ |

**Only includes our portable chargers for home charging, which are bundled and sold with our E2Ws. Our public fast chargers and neighbourhood chargers are designed in-house with outsourced manufacturing. For further details, see “– Our Charging Infrastructure” on page 263.*

Our Manufacturing Facilities

We manufacture our battery packs using lithium-ion cells sourced from our suppliers and assemble our E2Ws in-house to ensure the integrity and quality of our final product. We outsource the manufacturing of other key E2W components, such as motor controllers, transmissions, vehicle control units, dashboards, DC-DC converters, harnesses, chassis, and portable chargers to suppliers. The battery packs manufactured in-house accounted for 29% and 32% of the BOM of the Ather 450X (2.9 kWh) and Ather 450X (3.7 kWh) variants as of December 31, 2024, while the remaining 71% and 68% of the BOM respectively, were sourced from suppliers. Our manufacturing facilities are currently located near Hosur, Tamil Nadu, India. We plan to expand our manufacturing capacity through the establishment of our Factory 3.0 in Chhatrapati Sambhajnagar (formerly Aurangabad), Maharashtra, India.

Our Hosur Factory

We assemble our E2Ws and manufacture our battery packs using lithium-ion cells sourced from suppliers at our Hosur Factory, which had a total installed capacity of 420,000 units per annum for the E2W assembling plant and 379,800 units per annum for the battery pack manufacturing plant as of December 31, 2024.



Our plants are equipped with two E2W assembly lines and three semi-automated battery assembly lines. Further, a fourth battery line is in the process of being set up. All our assembly lines are integrated with a MES. The MES is equipped with smart technologies that help us maintain traceability, make data-driven decisions, reduce defects, and improve productivity. The Hosur Factory is equipped with 35 automated robots, as of December 31, 2024, which perform functions such as cell pick and place, welding and dispensing. The plant also housed 65 connected machines, 124 smart devices and 108 connected manual stations that monitored 10,953 parameters and checked 300 parameters at the end of the manufacturing line, as of December 31, 2024. Our assembly lines were capable of assembling an E2W within 43 seconds and a battery pack within 61 seconds, as of December 31, 2024.

The following tables provide a summary of the Hosur Factory’s E2W production and battery pack production capacity statistics respectively, as at and for the periods indicated.

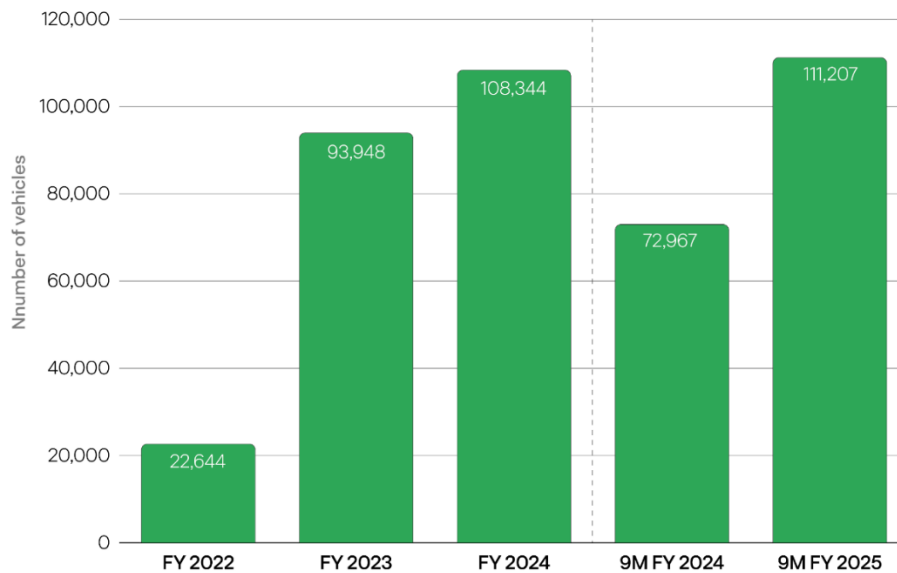
| E2W Production | Nine months ended December 31, | | Fiscal Year | | |
|--|-----------------------------------|---------------|----------------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| <i>(Units, unless otherwise indicated)</i> | | | | | |
| Annual Installed Capacity ⁽¹⁾ | 420,000 | 420,000 | 420,000 | 266,850 | 113,700 |
| Effective Annual Capacity ⁽²⁾ | 379,800 | 379,800 | 379,800 | 232,475 | 113,700 |
| Actual Production | | | | | |
| Ather 450S | 15,811 | 7,965 | 22,814 | 23 | - |
| Ather 450X ⁽³⁾ | 34,412 | 64,994 | 84,814 | 93,925 | 22,644 |
| Ather 450 Apex | 1,935 | 8 | 688 | - | - |
| Ather Rizta | 59,049 | - | 28 | - | - |
| Total | 111,207 | 72,967 | 108,344 | 93,948 | 22,644 |
| Capacity Utilisation ⁽⁴⁾ | 39% | 26% | 29% | 40% | 20% |

| Battery Pack Production | Nine months ended December 31, | | Fiscal Year | | |
|--|-----------------------------------|---------------|----------------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| <i>(Units, unless otherwise indicated)</i> | | | | | |
| Annual Installed Capacity ⁽¹⁾ | 379,800 | 379,800 | 379,800 | 232,475 | 121,200 |
| Effective Annual Capacity ⁽²⁾ | 379,800 | 379,800 | 379,800 | 232,475 | 113,700 |
| Actual Production | | | | | |
| 2.9 kW (Gen 2) | 3,383 | 559 | 1,097 | 10,660 | 23,100 |
| 3.7 kW | 50,979 | 56,977 | 73,635 | 85,593 | - |
| 2.9 kW | 63,403 | 18,225 | 34,627 | - | - |
| Total | 117,765 | 75,761 | 109,359 | 96,253 | 23,100 |
| Capacity Utilisation ⁽⁴⁾ | 41% | 27% | 29% | 41% | 20% |

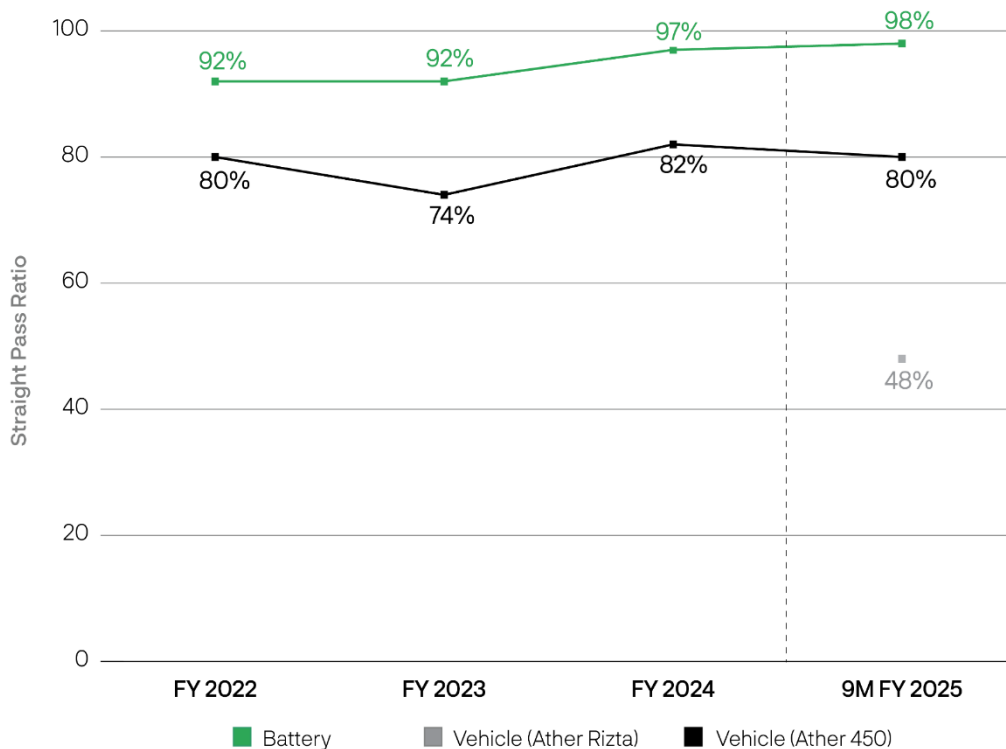
Notes:

- (1) Annual installed capacity: maximum amount of production that the Hosur Factory can achieve in a Fiscal Year, assuming that all machines are running at full speed and considering 15% standard losses, 300 days a year. It is determined after taking into account the product with maximum power output and can be produced in the specific production line.
- (2) Effective annual capacity: actual amount of production that the Hosur Factory can achieve in a Fiscal Year, assuming that all machines are running at full speed considering 15% standard losses, 300 days a year. It is determined after taking into account the capacity of the general assembly plant and depends on inputs from the battery plant. The E2W production capacity of the Hosur Factory is constrained by its battery production capacity.
- (3) The Ather 450X with 2.9 kWh battery capacity was launched in January 2020 and was succeeded by the Ather 450X (Gen 3) with 3.7 kWh battery capacity launched in July 2022. Following that, the Ather 450X (Gen 3.1) was launched in January 2023. The Ather 450X (Gen 3.1) was succeeded by the Ather 450X (2.9 kWh) and Ather 450X (3.7 kWh) variants, launched in August 2023.
- (4) Capacity utilisation: actual production during the relevant Fiscal Year/ period divided by the effective annual installed capacity of the Hosur Factory as at the end of the relevant Fiscal Year/ period.

The following diagram provides details of vehicles produced at the Hosur Factory for the years/periods indicated.

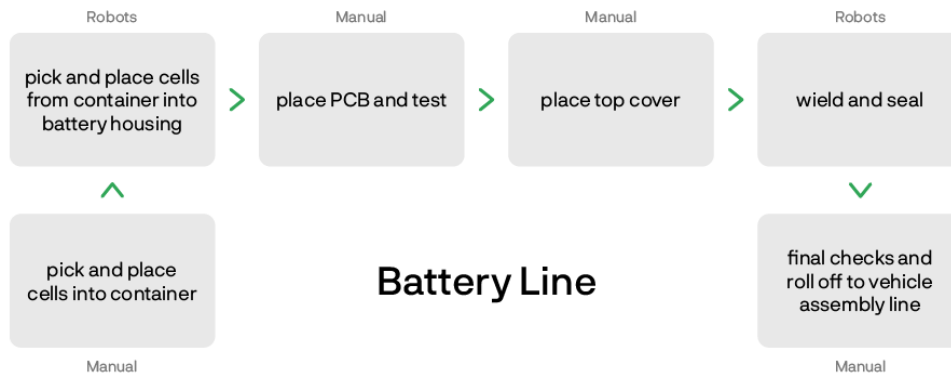
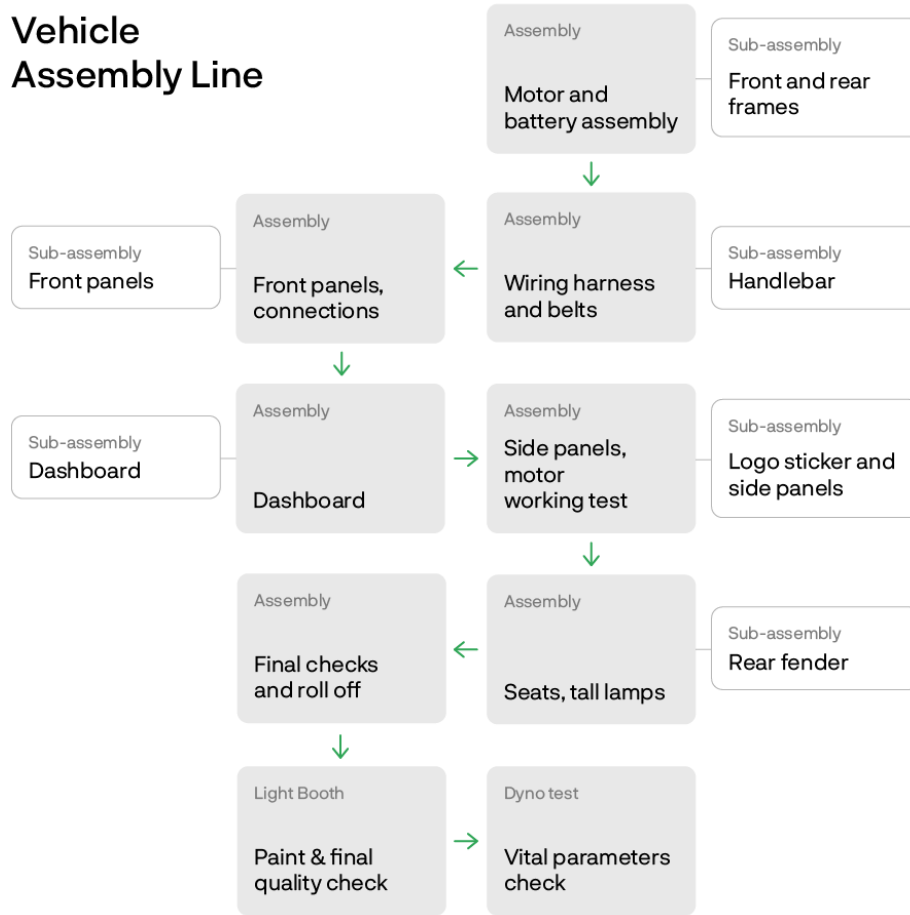


Leveraging our manufacturing capabilities, as well as our R&D initiatives, we have improved our operational efficiency through data analytics, automation and workforce skill upgrades. From Fiscal Year 2019 to the nine months ended December 31, 2024, we reduced our work content or time taken to assemble an E2W by 81%. Our straight pass ratio for the Ather 450 vehicle and battery line was 80% and 98% in the nine months ended December 31, 2024, respectively, and 82% and 97% in Fiscal Year 2024, respectively. Our straight pass ratio for the Ather Rizta vehicle was 48% in the nine months ended December 31, 2024.



The diagram below gives an overview of the vehicle assembly and battery manufacturing lines at the Hosur Factory:

Vehicle Assembly Line



Battery Line

In addition, we are focused on minimising the environmental footprint of our manufacturing operations and making an impact in the communities we operate in. At the Hosur Factory, on-site solar panels supplied 11% of our energy requirements for manufacturing during the nine months ended December 31, 2024, and 13% in Fiscal Year 2024. Through the 120 KLD sewage treatment plant installed in our Hosur Factory, we have ensured zero-sewage discharge in the nine months ended December 31, 2024 and in the past three Fiscal Years. For the

aforementioned periods, the treated water was re-used for gardening and toilet flushing. Sustained efforts in logistics and packaging have led to the adoption of green and reusable packaging such as water-based paper tapes, paper pouches, paper bubble wraps, shredded carton waste used as cushion or fillers, Velcro straps, biodegradable packaging sheets and recycled paper.

Further, we have implemented workplace safety initiatives at our Hosur Factory such as machine guarding and engineering controls for high risk areas identified by hazard identification and risk assessment, and safety audits. In the nine months ended December 31, 2024 and in Fiscal Year 2024, we had a closure rate of 97% and 88%, respectively, for the total 2,183 and 3,885 safety observations identified, respectively.

Our Vehicle Assembly Line



Our Battery Pack Manufacturing Line



Our Factory 3.0

We plan to build our Factory 3.0 in Chhatrapati Sambhajnagar (formerly Aurangabad), Maharashtra, India, to expand our production capacity to accommodate for the growth of our business and demand in the E2W industry in general, as well as improve cost efficiencies in our production. The strategic location of Factory 3.0 in Maharashtra, West India, will help us to be closer to markets with high EV penetration rates (Source: *CRISIL*

Report), thereby improving our distribution and logistics cost. The factory will be completed in two phases with a view to ultimately increase our production capacity by one million E2Ws per year. We plan to commence the first phase of construction of the Factory 3.0 in May 2025 and plan to commence production at the Factory 3.0 in phases, starting in July 2026. The first phase of construction is expected to be completed by March 2027, following which, it will provide an additional installed production capacity of 0.5 million E2Ws per year. Upon completion of construction for both phases, our total installed capacity from the Hosur Factory and Factory 3.0 is expected to reach a total of 1.42 million E2Ws per year.

At the Factory 3.0, we plan to integrate additional automation technologies and manufacturing lines for selected manufacturing processes that we currently outsource to third-party OEM manufacturers, in order to achieve greater cost efficiencies in our production process and enhance our control over the integrity and quality of our products. These processes have been selected to help with mitigation of supply chain risks, flexibility to address market demands and ensure better control over product quality. We have identified certain manufacturing processes that we currently outsource to third-party manufacturers, which we intend to execute in-house. This approach will provide us with greater agility in responding to changes in customer demand and greater resilience to supply disruptions.

Our Supply Chain

While we design key components of our EVs and some of our accessories in-house, we strategically focus on manufacturing IP-sensitive components in-house and outsource the manufacturing of other components to renowned vendors. We have direct arrangements with large OEMs to procure components such as lithium-ion cells and semiconductors, which require a high upfront capital investment, to optimise our own capital expenditures and maintain flexibility in the face of the fast-evolving technology landscape. We sourced our lithium-ion cells from two foreign suppliers located in China and South Korea in the nine months ended December 31, 2024 and in the last three Fiscal Years. We similarly outsource the manufacture of our in-house designed chassis, BMS, VCU, motor controller, signal harness and fast charger, to third-party manufacturers or vendors. Our direct arrangements with our suppliers enable us to bypass intermediaries and partner with suppliers who meet our quality criteria to procure supplies.

We maintain a localised and diversified supplier base which enhances our supply chain resilience. As of December 31, 2024, March 31, 2024, March 31, 2023, and March 31, 2022, we had 202 suppliers, 230 suppliers, 160 suppliers and 123 suppliers, respectively. As of December 31, 2024, among all our key components, lithium-ion cells are the only components we import. We strive to maintain relationships with multiple suppliers for a single component, and multi-source components comprised 60%, 62%, 63%, 65% and 28% of the BOM value of our Ather 450X 2.9 kWh in the nine months ended December 31, 2024 and December 31, 2023 and in Fiscal Years 2024, 2023 and 2022, respectively. 99.9% of our E2W components by BOM value, other than lithium-ion cells, are sourced from domestic vendors in the nine months ended December 31, 2024. The largely localised nature of our supply enables us to procure supplies at lower costs given the reduction of transportation costs. The proximity to our suppliers also reduces lead times, facilitates just-in time inventory management and minimises our inventory costs.

The following table indicates the materials sourced from our top 1, top 5 and top 10 suppliers in Fiscal Year 2024, and the respective contributions to our total purchase (i.e. sum of the purchase of raw materials and components consumed, and purchase of stock-in-trade) in Fiscal Year 2024.

| Particulars | Percentage of Total Purchases in Fiscal Year 2024 | Materials Procured in Fiscal Year 2024 |
|--------------------|--|---|
| Top 1 | 23% | Lithium-ion cells |
| Top 5 | 59% | Lithium-ion cells, electronics, frames, motors and chargers |
| Top 10 | 73% | Lithium-ion cells, electronics, frames, motors, chargers, brakes assembly, automotive belts and peripherals |

We sourced lithium-ion cells from two foreign suppliers located in China and South Korea during the nine months ended December 31, 2024 and Fiscal Years 2024, 2023 and 2022. Semiconductor chips and belts were sourced from domestic suppliers during the nine months ended December 31, 2024 and Fiscal Years 2024, 2023 and 2022.

We evaluate and select our suppliers with a view to maintaining the consistent quality of our products, optimising our cost structure and managing potential supply chain risks. We have developed internal processes for risk assessment, which measure the performance of our suppliers across multiple parameters and ensure we mitigate risks in our supply chain. We place an emphasis on the digitisation of our supply chain to enable robust governance.

As part of our internal Environmental, Health, Safety and Social (“EHSS”) Policy, we place a strong emphasis on engaging suppliers and contractors who demonstrate a commitment towards ESG principles. We have commenced a process for measuring our suppliers’ emission to better understand our overall environmental footprint. See “—*Environmental, Social and Governance*” on page 309.

Our Distribution and Service Network

Our distribution and servicing network comprises experience centres and service centres spread across India, Nepal and Sri Lanka, which are primarily operated by our retail partners in India and through our authorised distributors in Nepal and Sri Lanka. This distribution model enables us to leverage the expertise of third-party dealers and service providers to further enhance the user experience.

We opened our first experience centre outside of India, in Kathmandu, Nepal, in November 2023. Nepal’s strong dependence on India for their 2W imports and its high electrification target of 90% EV penetration in all private passenger vehicle sales (including 2Ws) by 2030, according to the CRISIL Report, drove our decision to enter into the Nepalese market. In November 2024, we opened one experience centre in Sri Lanka.

Our Experience Centres

In India, we had a network of 265 experience centres spanning 202 cities as of December 31, 2024. In addition, we had five experience centres in Nepal and 10 experience centres in Sri Lanka, as of December 31, 2024. We have designed our experience centres to offer customers a thorough understanding of our products and technology.

We offer three formats of experience centres, all referred to as the “Ather Space”:

- Format 1 – our largest retail format is designed to offer a wide variety of products and services, which includes a showroom, service centre, and a dedicated area for sales of spare parts, accessories and merchandise.
- Format 2 – our medium-sized format offers a comprehensive suite of products and services in a more compact space.
- Format 3 – our smallest format providing space for potential customers to test ride our scooters.

Through this three-tier retail model, we are able to engage with more retail partners, increase our penetration across markets and better manage our costs. We engage in regular dialogues with our retail partners regarding our products and process improvements. We offer training to new staff at our retail partner’s experience centres to ensure a consistent and high quality customer service. When new repair procedures and products are introduced, we also conduct training sessions on a need basis. As of December 31, 2024, we have trained 4,328 sales agents at our retail partners’ experience centres.

Our Flagship Ather Experience Centre



Our Service Centres

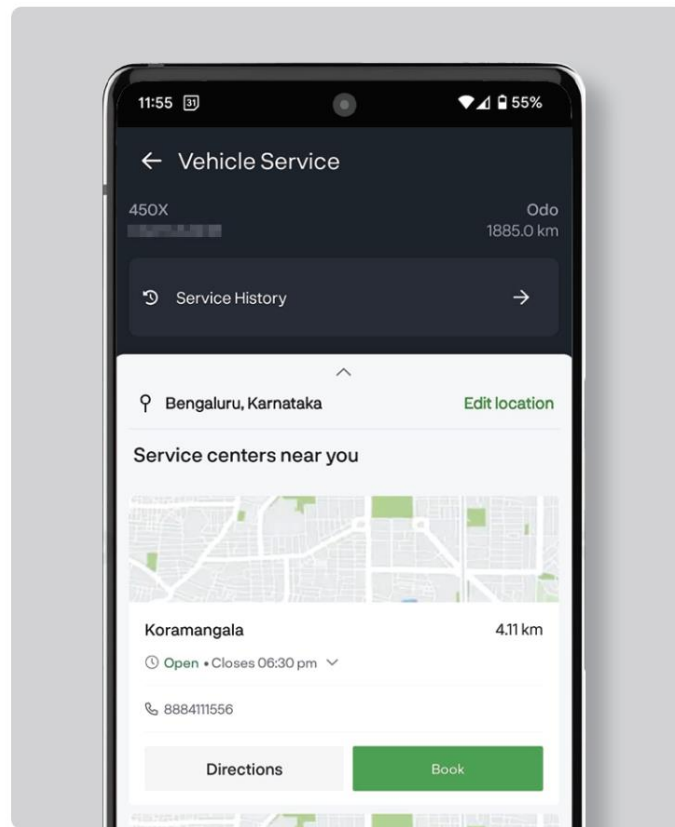
We had a network of 233 service centres spanning 202 cities in India as of December 31, 2024. In addition, we had four service centres in Nepal and one in Sri Lanka, as of December 31, 2024. Our service centres are primarily operated by our retail partners in India and through our authorised distributors in Nepal and Sri Lanka. We adopt a data-centric approach in determining where to locate service centres, such as measuring the density of our customers in one given area before committing to set-up a service centre. All our service centres exclusively service our E2Ws. We train our retail partners' technicians on our scooters and their underlying technology.

Our service centres are monitored by our field teams. Area vehicle service managers and zonal vehicle service managers regularly interact with service centre teams and frequently conduct site visits. During their visits, our field teams make observations and provide feedback to our retail partner management. Our team also conducts detailed quarterly audits and reviews our retail partners' monthly self-audits to ensure the consistency of our service quality.

In January 2024, we rolled out ExpressCare, a quick service option whereby customers can have their scooters serviced within a maximum turnaround time of one hour. Customers will pay an additional premium on top of standard service fees ranging from ₹125 to ₹150, based on the location of the service centre. Two specially trained technicians are posted at each bay to ensure fulfilment of the time commitment. As of December 31, 2024, we had 71 ExpressCare locations set up across 39 cities in India. In addition, we announced the launch of Ather Gold service centers in December 2024. Ather Gold service centers are designed to provide an upgraded service experience. The first Ather Gold service center was opened in Trivandrum Kerala, India in January 2025.

Our focus on technology enables us to offer a digitally enabled vehicle servicing experience to our customers. Our customers are able to book service appointments, track the service history and service status of their E2Ws and receive service invoices through the Ather app.

Booking a service appointment



Our Service Centre



Information Systems

We utilise our information systems to manage data related to engineering, manufacturing, sales and after sales services. Our information systems leverage a combination of tools such as Teamcenter by Siemens Industries

Software (India) Pvt Ltd and internally built tools to enable the flow of information across the organisation. Our information systems comprise our website, lead management system, DMS, customer relationship management system, inventory management system, manufacturing supplier operations, MES, internal reporting systems, PLMS and other systems that enable communication between the various modules. Our internally designed tools look to build innovative products based on the latest technology trends such as generative artificial intelligence, industrial internet of things and edge computing.

Marketing

We are invested in more than just creating an EV ecosystem but also building a community of current and future Ather customers and EV enthusiasts around the ‘Ather’ brand to promote EV adoption. Our customers are able to experience and test drive our E2Ws at our experience centres, and our extensive charging infrastructure also serves to promote our brand. We incurred ₹1,170 million, ₹715 million, ₹1,071 million, ₹2,259 million and ₹539 million on advertisement and marketing expenses (inclusive of taxes) in the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, respectively.

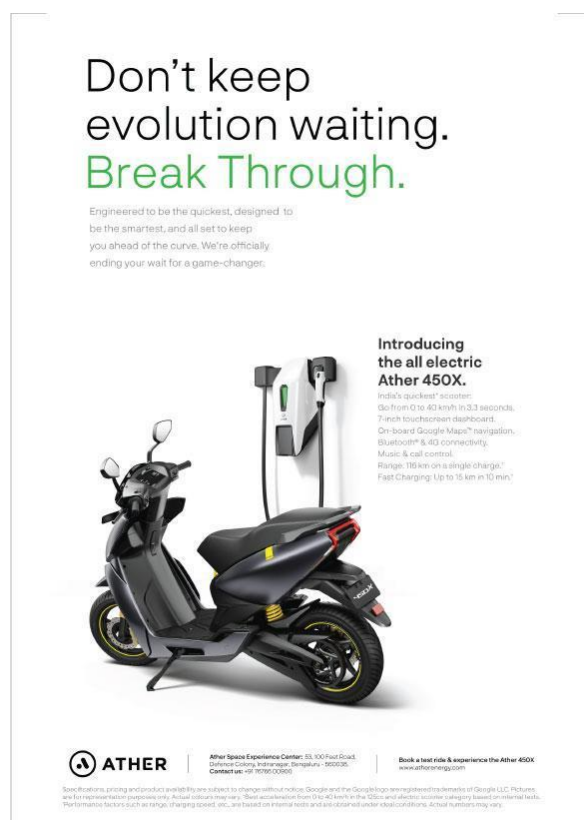
We strategically invest in marketing campaigns, brand building initiatives and product campaigns. We have adopted a two-phase marketing strategy. As part of Phase 1, we organised community outreaches, beta test drives and influencer marketing and undertook other public relations initiatives. For example, we launched the ‘Break Through’ campaign in 2020, our first integrated brand campaign during the India-Australia T-20 cricket series and focused on re-iterating our identity as a ‘Made in India’ company established to transform India’s EV industry. The ‘Break Through’ campaign was broadcasted through multiple channels including social media, over-the-top media service, print and television.

Don't keep evolution waiting.
Break Through.

Engineered to be the quickest, designed to be the smartest, and all set to keep you ahead of the curve. We're officially ending your wait for a game-changer.

Introducing the all electric Ather 450X.

World's quickest* scooter:
Go from 0 to 40 km/h in 3.3 seconds.
7-inch touchscreen dashboard.
On-board Google Maps™ navigation.
Bluetooth® & 4G connectivity.
Music & call control.
Range: 110 km on a single charge.*
Fast Charging: Up to 15 km in 10 min.*



ATHER

Ather Space Experience Center: 53, 100 Feet Road,
Chennai (Central, near Madhav Nagar) - 600028.
Contact us: 0471 8088700000

Book a test ride & experience the Ather 450X
www.atherenergy.com

*Specifications, pricing and product availability are subject to change without notice. Google and the Google logo are registered trademarks of Google LLC. Pictures and text represent actual performance. Actual battery range may vary. *Based on acceleration from 0 to 40 km/h in the 0-20 km/h range. Actual range varies based on external factors. Performance factors such as battery charging speed, etc., are based on internal tests and are obtained under ideal conditions. Actual numbers may vary.

Phase 2 of our marketing strategy commenced in 2022 with the ramp-up of our marketing campaigns. We invested ₹386 million (exclusive of tax) in Fiscal Years 2022 and 2023, leveraging sporting events and teams, procured influencer endorsements and released creative advertisements. Our promotional campaign enabled us to gain close to 17 hours and 15 hours of brand exposure during the Fiscal Years in 2023 and 2022, respectively. Our advertisement campaigns during Fiscal Year 2023 garnered 487 million total views from 17 million viewers across all media platforms. In 2023, we introduced our ‘Quick. Quicker. Ather.’ campaign to differentiate our E2Ws from that of our competitors’ and to highlight the launch of our Ather 450S model at a starting price of ₹129,999.

We host our Ather Community Day event that gathers Ather owners from across India and provides an opportunity for us to strengthen our relationships with them and update them on new products. At our Ather Community Day event in 2024, during which we introduced the Ather Rizta, 20,343 customers joined the livestream and 2,281 customers attended in-person. From time to time, we offer promotions on our products to our customers. For instance, at our 2024 Ather Community Day, we offered attendees a discount on our new smart Halo helmet, from the introductory price of ₹12,999 to ₹6,499. We host open houses for current customers, potential customers and EV enthusiasts to gather in a close setting and take them through the Ather product journey. We host Wheee camps, featuring one-day intensive training to teach users how to ride their scooters better. In addition, we established the Ather Vantage community, whereby we collaborate with university students to host tech competitions and knowledge-sharing sessions to share our knowledge and experience from building our E2Ws from the ground up.

In October 2024, we launched a new print ad campaign, “Bike of Scooters”, which highlighted the performance of the Ather 450 range. Additionally, we started selling our scooters on e-commerce platforms in October 2024 to improve the visibility and accessibility of the Ather brand.

We also seek to attract corporate customers through the Ather Corporate Program which offers companies that want to help promote the adoption of electric mobility to collaborate with us directly. Ather supports these organisations through offers and assistance in setting up charging infrastructures.

In January 2025, we introduced a buyback program exclusively for customers who financed their purchase of Ather E2Ws through a specific finance partner. Under this program, eligible customers can sell their Ather E2Ws for up to 60% of the ex-showroom price after three years, or up to 50% of the ex-showroom price after four years, from the date of purchase.

In 2023, we were awarded the “2023 PR and Communications Team of the Year (Bike)” and “2023 Best Creative Film (Bike)” by Acko Drive Awards for our battery advertisement. In 2022, our marketing campaign was awarded the ‘Best Creative Film of the Year’ by Car and Bike Awards.

Redressal of Customer Concerns and Complaints

Our customers can contact us regarding any questions, feedback, issues or complaints they may have with respect to pre-sales, sales, post-sales, vehicle servicing, charging infrastructure, accessories and merchandise through various customer support channels, including through our call centre, emails, Ather app, WhatsApp, social media, Ather community forum, and website at <https://www.atherenergy.com/contact/write-to-us>.

The lodged query, request or complaint will be tagged with a unique Case ID and attended to by a dedicated member of our customer service team. Our responsiveness is tracked and measured through internal service level criteria agreement for calls and tickets, whilst the quality of our response is audited in accordance with our standard operating procedures. We have set target turnaround times for each type of complaint and milestone for complaint redressal, and in the event complaints cannot be resolved by our customer service team within the target turnaround time, they are escalated to higher levels within our service team, such as our area service manager or our zonal service manager, ensuring that more complex issues receive the necessary attention and expertise. Once a complaint has been resolved, our customer service team will contact the customer via email to confirm the successful resolution of the matter, while also soliciting feedback on their experience with our customer service. We track the feedback scores and use them in enhancing the customer complaint redressal process and training for our customer service agents.

Our area managers, zonal managers and national heads of vehicle sales, vehicle service and customer service monitor the trends in customer complaints and the turnaround times for resolving customer queries and complaints. Our senior leadership also reviews such data on a monthly basis. In addition, these metrics are shared with relevant external parties such as our retail partners and other service providers on a regular basis.

In the nine months ended December 31, 2024, the nine months ended December 31, 2023 and in Fiscal Years 2024, 2023 and 2022, we received 2,383, 926, 1,341, 1,631 and 115 customer complaints related to our vehicles, respectively, of which 68, 63, 63, 43 and 6 complaints were related to battery-related issues, respectively. We were required to compensate our customers in three such instances relating to complaints received in respect of deficiency of service, and arrived at a mutual settlement with our customers in three other such instances, during the nine months ended December 31, 2024, and in Fiscal Years 2024, 2023 and 2022. As of December 31, 2024, there were 134 pending customer complaints, of which 25 complaints were more than 30 days old. See “**Risk Factors – Internal Risks – We have received some customer complaints pertaining to our products in the past.**”

There is no assurance that we will not receive similar complaints in the future or that we will be able to address such customer complaints in a timely manner or at all.” on page 44.

OTHER BUSINESS DESCRIPTION

Environmental, Social and Governance

We are focused on sustainable business practices that are good for the environment, the community, and the business.

We previously commissioned impact reports in 2020 and 2021 under the proprietary 4P framework which assessed our Company’s impact across Product, Planet, People and Policy. In September 2024, we released another impact report in partnership with Aspire Impact, where we received a rating of Gold Leaf.

We have designed our Company’s ethos around a thoughtful ESG strategy based on (i) instituting strong governance practices, (ii) mitigating the impact of the business of our operations on the environment, and (iii) investing in talent and community development. Our EHSS and corporate social responsibility (“**CSR**”) policies reflect our commitment to our community and the environment, whilst our governance policies such as whistleblower, anti-bribery and anti-corruption policies reflect our principles of transparency, accountability and integrity.

Governance Practices

Governance

Our Company adopts a robust approach to corporate governance in order to create long-term stakeholder value for our promoters, shareholders, employees and community. Our board consists of nine directors, including three independent directors. We are led by Tarun Sanjay Mehta and Swapnil Babanlal Jain, and a tenured senior leadership team. The single-company structure ensures transparency and a simple governance structure. Our board consists of audit, risk, nomination and remuneration, initial public offering and stakeholder relations committees.

To oversee and facilitate the implementation of the ESG strategy, an ESG Committee has been constituted at the corporate level (operations level). The ESG Committee is headed by the Chief Operating Officer, assisted by the EHSS head. The ESG Committee’s roles and responsibilities include overseeing the implementation of the Environmental & Social Management System, consistent application of the company’s Environmental and Social (E&S) policies across each of its facilities, and monitoring follow-up on improvement actions; addressing any grievance arising about the company and its facilities with regard to concerns on E&S issues, setting appropriate strategic goals, as well as shorter term KPIs and associated targets related to ESG matters, making recommendations to the Board on all matters relating to ESG, including strategy.

Policies

We practice a zero-tolerance approach to bribery and corruption. The anti-bribery and anti-corruption policy provides a framework for ensuring compliance with legislations governing bribery and corruption. No gifts of any kind, that are offered by vendors, suppliers, customers, potential employees, potential vendors and suppliers, or any other individual or organisation, no matter the value or occasion, should be accepted by any employee, at any time, on or off the work premises, as per our no gifts policy.

The Anti-Fraud and Fraud Reporting Policy aids in prevention and detection of fraud in the Company. Our Whistleblower Policy enables all stakeholders, including employees, suppliers, vendors and customers to report misconduct on a strictly confidential basis. Further, our Code of Ethics policy, which aligns with our values system, Think As A Species (“**TAAS**”), covers a range of matters including the handling of conflicts of interest, regulatory compliance issues, and providing equal opportunities. Our Code of Ethics policy applies to all members of our company, including contract associates, consultants, interns, workers, apprentices, and trainees. It also extends to our customers, value chain partners, financial stakeholders, governments of the countries we operate in, and the communities and environment in which we operate. In addition to the aforementioned key policies, we have established a series of supplementary policies to address issues such as the prevention of sexual harassment,

the use of social media, grievance redressal, information security, and the treatment of confidential data, among others.

We adopt a zero-tolerance stance toward any actions, judgements, or decisions that violate these principles. Penalties for violations are laid out in our Consequence Management Policy and methods for redressal of grievances are defined in our Grievance Redressal Policy.

Mitigating the impact of the business of our operations on the environment

Developing technologies

According to the CRISIL Report, LFP is a less mineral intensive chemistry as the need for critical raw materials like lithium, nickel, cobalt and manganese is lower. Accordingly, it would help OEMs overcome the supply chain challenges rising from the supply shortage of critical raw materials. Additionally, LFP battery production has a lower environmental impact as compared to NMC batteries. We are exploring battery chemistries and motor technologies that do not contain any rare-earth magnets which will aid our supply chain to be more resilient and less carbon intense, while also avoiding the negative externalities associated with mining rare-earth minerals.

Sustainable practices

According to the CRISIL Report, an electric scooter for private use has about 38% lower greenhouse gas (“GHG”) emissions than a petrol scooter (~1.8 tCO₂e). Similarly, according to the CRISIL Report, transitioning private motorcycles to battery electric vehicles can lead to reductions of approximately 1.1 to 1.3 tCO₂e, representing about 26% less GHG emissions compared to petrol motorcycles. Ather owners have collectively saved ₹10.7 billion in petrol costs and avoided 111 million kilograms of CO₂ emissions from September 2019 to December 2024. In Fiscal Year 2024, we observed an improvement in the utilisation of truck capacity since we began reducing outbound trip requirements for delivery of scooters pan India from 36 and 24 lot sizes to 40 lot size.

Our sustainable manufacturing initiatives include paper-based packaging, renewable energy, air pollution control and zero-sewage discharge. The 120 KLD sewage treatment plant installed in our Hosur Factory ensures zero-sewage discharge from our manufacturing operations and the wastewater from the sewage treatment plant is utilised for gardening.

We have adopted green packaging and reusable packaging such as water-based paper tapes, paper pouches, paper bubble wraps, shredded carton waste used as cushion/ fillers, Velcro straps, biodegradable packaging sheets, and recycled paper. We have adopted reusable containers/returnable containers like reusable pallet, reusable trays, foldable containers, reusable trolleys, to reduce consumption of fresh packaging materials and waste management cost. Supplier packaging waste has been reduced by 2.3 kg/vehicle from Fiscal Year 2022 to the nine months ended December 31, 2024.

With a current system size of 200 kWh, 11% and 13% of our current manufacturing capacity energy needs, on average, were powered by solar panels installed on-site in our Hosur Factory in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively.

The implementation of ISO 14001 of environmental management system has led to optimisation of energy consumption through various energy-saving projects in Fiscal Years 2023 and 2024, such as optimisation of compressed air generation by reduction of working pressure from 6.7 to 5.5 Bar and provision of 10 cfm 2.2 kW new screw compressor instead of 37 kW 250 cfm compressor for the continuous operation of IQC lab.

In addition, we have installed the Retrofit Emission Control Device for all DG sets. This has allowed us to reduce air emission particles in the exhaust by 80%.

The installation of a regenerative dynamometer has helped to put electricity consumed in vehicle testing back to the internal grid.

We are compliant with legal requirements under the Environment Protection Act 1986, hazardous waste and other waste rules 2016, and battery waste management rules 2022. We have tie-ups with third-party vendors such as Lohum Cleantech Private Limited for battery end-of-life recycling.

Investing in talent and community development

Our talent

TAAS is our culture collective that serves as a building block for our thoughts, actions, and working ways. Under the umbrella of TAAS, we have five values whose wisdom we turn to in defining who we are, the way we work and the way we aspire to conduct our business. To gauge how our employees live up to and experience TAAS and Ather in its truest sense, we conduct Culture Conversations every 18-20 months. These are open, spirited and inclusive conversations that are conducted as one-on-ones, dyads, triads, or group discussions, covering various cohorts. Since 2017, we have conducted four editions of Culture Conversations, covering 723 employees cumulatively.

Our employee benefits include one to six months of sabbatical leave once every two years, child adoption / surrogacy leave, miscarriage leave and leave to participate in volunteer work. Our medical insurance policy coverage extends to domestic partners as well.

We invest in our talent by providing opportunities for their learning and development as well. Learning Assistance benefits are made available to our employees under the Learning Assistance Policy for them to pursue deeper knowledge in their domain for enhanced contribution to current and future roles. We conduct compliance, technical, leadership and behavioural training programs to aid in the holistic development of our employees, across all our facilities. In our Hosur Factory, we have an advanced dojo setup to cover the entire scooter assembly process on the conveyor line, covering critical processes like robotics, hydraulics and pneumatics. In Fiscal Year 2024, our employees spent an average of 4.2 hours on behavioural and technical training. All new joiners also undergo a new employee orientation to help assimilate into the organisation, and gain context of their work.

Further, in 2021, we curated the Ather Step Up Program, a comprehensive learning journey and career development opportunity for our contract associates to re-join us as full-time employees. Upon completion of the Ather Step Up Program, we hired 58 associates and 18 associates for full-time positions in the nine months ended December 31, 2024 and in Fiscal Year 2024, respectively.

We have fostered a healthy, safe and inclusive work environment for our employees as demonstrated by the retention rate of 91% in the nine months ended December 31, 2024, and by Marksmen Daily's award as the *Most Preferred Workplace (Manufacturing Edition)* in 2024. The average percentage of female employees on a contract basis across our E2W and battery pack lines was 50% as of December 31, 2024. Our diversity, equity and inclusion efforts are carried out under the umbrella of Mosaic. We have conducted interventions such as an awareness session on PCOS and an art workshop by a differently-abled artist. We are an equal opportunities provider, and we aim to promote and safeguard the equality, fairness, dignity and social inclusion of persons with disabilities, HIV & AIDS and people identifying themselves as a part of the LGBTQIA+ community at Ather.

We are committed to creating a safe and conducive work environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. We have constituted an internal committee as per the guidance of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. In 2023 and 2024, we were awarded the Top 25 Safest Workplaces in India by kelpHR PoSH Awards. We had two reported cases in Fiscal Year 2023, one reported case in Fiscal Year 2024, and one reported case in the nine months ended December 31, 2024.

We have carried out health and safety initiatives such as annual health check-up for employees at the factory; provided access to menstrual products in the restrooms and awareness session for women on menstrual hygiene management to emphasizing a period positive workplace; are observing recognised days to raise awareness such as Global Handwashing Day, World Cancer Day and World Oral Health Day; and providing access to an Occupational Health Centre at the Hosur Factory.

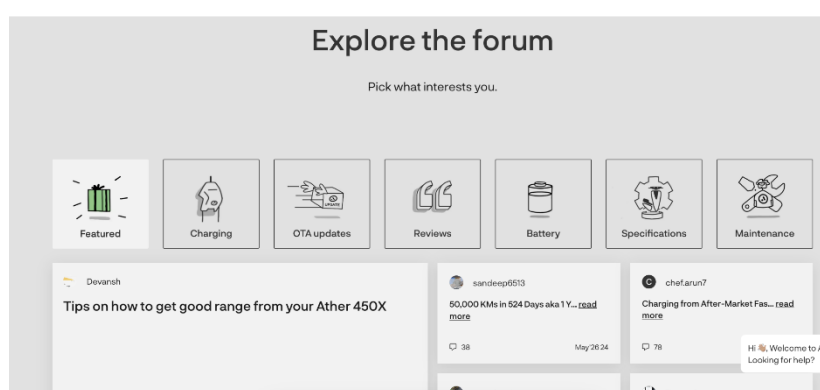
As part of risk mitigation processes for workplace safety, some of the initiatives that have been implemented across our facilities include machine guarding provision for implementation of engineering controls for the high risks identified through HIRA, GEMBA audits by team members and management team, safety audits, and electrical room. In the nine months ended December 31, 2024 and in Fiscal Year 2024, there were a total of 2,183 and 3,885 safety observations, respectively, with a closure rate of 97% and 88%, respectively.

The communities we operate in

Our live location sharing feature addresses concerns for personal safety, particularly for women, whilst technologies such as traction control, Emergency Stop Signal and Fall Safe ensure that our customers avoid unnecessary accidents. Our Halo and Halo Bit smart helmets, coupled with onboard navigation on our scooters, discourage the use of phones while riding.

Guided by our CSR policy, we have engaged in various social activities such as supporting children from migrant families at the polio vaccination drive in March 2024, donating immediate food needs to families in the cyclone Michaung flood response in December 2023 and raising awareness on the effect of single-use plastics and distribution of reusable cloth bags to children in June 2023. We have also implemented a safety directive system with our retail partners for new facilities to ensure that the safety and compliance standards are in place.

The Ather Community forum was launched in 2018 and had 1,465 members at the end of 2018. This community has grown to 249,042 members as of December 31, 2024. The forum offers a space for Ather owners and EV enthusiasts to learn more about EVs, engage in dialogue about the technology, and explore how to use their Ather scooters better.



We strive to engage with our community to educate them about the EV space and its possibilities, as well as to listen to what our owners want, and what the audience looks for in an EV. Some of our initiatives towards this end include open houses (intimate, closed-door catch-ups with the owners, future owners, and EV enthusiasts community to make them a part of the product journey), Ather Community Day, Wheee camps, and PluggedIn. Through the Ather Vantage community, we collaborate with university students and other communities on tech competitions and open knowledge-sharing sessions on aspects of building an electric ecosystem.

Use of Resources and Supply Chain

As a part of our supplier risk assessment, we have an EHSS checklist based on which we evaluate the suppliers. These parameters include, among others, their emissions, treatment plants and working conditions. We work with suppliers for process improvement and non-compliance resolution, if any should arise. We have also piloted a GHG accounting activity with certain of our suppliers to evaluate Ather's scope 3 emissions, which will enable us to understand the environmental footprint of our value chain. We also have a supplier code of conduct where EHSS guidelines are included and are given to our suppliers as a guideline for being an Ather Partner.

Legal Proceedings

We are party to various legal proceedings which arise primarily in the ordinary course of our operations. We are also involved in certain tax disputes. For details relating to legal and tax proceedings involving us, our Directors, and our Promoters, see ***“Outstanding Litigation and Other Material Developments”*** on page 476. See ***“Risk Factors — There are outstanding legal proceedings against our Company, Promoters as well as certain of our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, cash flows and reputation.”*** on page 49.

Awards and Recognition

We have received multiple awards recognising our EV design and manufacturing, operations, corporate responsibility and contributions towards sustainability. See “*History — Awards, accreditations and recognition*” on page 330.

Intellectual Property

We rely on a combination of patents, patent applications, trade secrets, including know-how and employee and third-party nondisclosure agreements, trademarks, intellectual property licenses and other contractual rights to protect our technology and intellectual property.

Patents: Globally, we had 45 registered patents and 303 pending patent applications, as of February 28, 2025.

We have filed patents across all areas of our technology platform, namely: (i) battery, (ii) powertrain, (iii) electronics, (iv) chassis, and (v) software. The table below presents the percentage of patents filed for each technology platform area as of February 28, 2025.

| Platform Area | Percentage of patents |
|---------------|-----------------------|
| Software | 23% |
| Electronics | 25% |
| Chassis | 22% |
| Battery | 18% |
| Powertrain | 8% |
| Others | 4% |
| Total | 100% |

Design: Globally, we had 201 registered designs and 12 pending design applications, as of February 28, 2025.

Trademarks: Globally, we had 303 registered trademarks and 102 pending trademark applications, as of February 28, 2025.

Data Security and Protection

Given the level of intelligence of and the inter-connectivity between our E2Ws, the Ather app, the Ather Grid app, and the Atherstack, and the customer data collected therefrom, we place a strong emphasis on data security and protection. We have implemented procedures to regulate our employees’ actions in relation to user data in order to protect user privacy and data security. We have also adopted a strict access control mechanism to protect user privacy while meeting business requirements. In addition, we employ a variety of technical solutions to prevent and detect risks in user privacy and data security, such as encryption and log audit. Our internal information security teams examine and test our data security system to ensure that any vulnerability identified is fixed. We are in the process of implementing our data protection policy in compliance with the Digital Personal Data Protection Act, 2023 enacted on August 11, 2023.

Employees

As of December 31, 2024, we had a total of 3,510 employees, comprising 1,575 on-roll employees (including 29 consultants, trainees and interns) and 1,935 off-roll employees. All of our permanent employees are based in India.

The following table sets forth the number of on-roll and off-roll employees by function as of December 31, 2024.

| Function | Number of On-roll Employees | Percentage | Number of Off-roll Employees | Percentage |
|--|-----------------------------|-------------|------------------------------|-------------|
| Manufacturing operations and supply chain management | 235 | 15% | 1,535 | 79% |
| R&D ⁽¹⁾ | 731 | 46% | 217 | 11% |
| Sales, service and fulfilment | 334 | 21% | 69 | 4% |
| Support functions | 275 | 18% | 114 | 6% |
| Total | 1,575 | 100% | 1,935 | 100% |

Note:

(1) R&D functions include design, engineering, product ownership and product management.

None of our employees are currently represented by labour unions or are covered by a collective bargaining agreement with respect to their employment. To date, we have not experienced any work stoppages. We enter into standard labour contracts with our employees with a standard confidentiality clause. We believe in investing in internal talent development and progression.

Property and Facilities

Our Corporate Office is located on leased premise at 13th Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bengaluru 560 029, Karnataka, India. Our Registered Office is located on leased premise at 3rd Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India. Our Sales and Marketing Office is located on leased premise at 8th Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India. Our Hosur Factory, the Product Validation Labs, zonal offices and Factory 3.0, as well as our self-operated experience centres are located on leased properties or licenced under service agreements in India. The term of our lease agreements ranges from two years to 95 years for our various facilities. We are required to pay security deposits, specified monthly rentals and maintenance charges for the duration of the relevant agreement, subject to periodic escalations at agreed rates, and electricity, water and telephone charges with applicable taxes, in accordance with the terms of our lease deeds.

The following table provides an overview of the tenure of each of our leased properties and facilities pursuant to the relevant lease agreements as at the date of this Red Herring Prospectus.

| S. No. | Leased property | Description of property | Lease term | Lease tenure |
|--------|--|------------------------------|---------------------------------------|-------------------------|
| 1. | 3 rd Floor, Tower D, IBC Knowledge Park, 4/1, Bannerghatta Main Road, Bangalore, 560 029 | Registered Office | March 24, 2022 to March 23, 2027 | Five years |
| 2. | 13 th Floor, Tower D, IBC Knowledge Park, 4/1, Bannerghatta Main Road, Bangalore, 560 029 | Corporate Office | March 11, 2023 to March 10, 2028 | Five years |
| 3. | Survey Nos. 138/1A (Part), 138/2A (part), 150/4(part), 150/5(part), 150/8(part), 157/2A(part), 157/2B(part), 158/3 and 158/4, Madhakondapalli Village, Denkanikotta Taluka, Krishnagiri District, Tamil Nadu - 635 114 | Hosur Factory – Battery Line | October 24, 2020 to December 23, 2040 | 20 years and two months |
| 4. | Survey Nos 156/1A, 156/1B, 156/1C, 156/2A, 157/1, 158/1, 158/2, 159/2B2, 159/7, 160/6B, 166/2A, 166/2B, 166/2C and 167/1, Madhakondapalli Village, Denkanikotta Taluka, Krishnagiri District, Tamil Nadu - 635 114 | Hosur Factory - Vehicle Line | July 7, 2022 to July 6, 2037 | 15 years |
| 5. | Plot No. 123, AURIC BIDKIN, Sector No. 12, Taluka Paithan, Chhatrapati, Sambhajnagar, Maharashtra, 431 001 | Factory 3.0 | August 1, 2024 to July 31, 2119 | 95 years |
| 6. | 8 th Floor, Tower D, IBC Knowledge Park, 4/1, Bannerghatta Main Road, Bangalore, 560 029 | Sales and Marketing Office | June 16, 2022 to June 15, 2027 | Five years |
| 7. | Bridge area on 3 rd Floor between Tower D and Tower E - Khatha No. 4/1, Bannerghatta Road, Bangalore, IBC Knowledge Park | R&D centre | April 1, 2022 to March 31, 2027 | Five years |
| 8. | 67/6, 7th Cross, N.S. Palya, BTM Layout 2nd Stage, Bengaluru 560 076 | Product validation lab | June 1, 2024 to May 31, 2029 | Five years |
| 9. | Survey No. 139 & 140, 2 nd Cross, Old No. 6, PID No. 65-128-6, NS Palya, Bangalore, 560 076 | Battery lab and R&D lab | June 1, 2024 to May 31, 2029 | Five years |
| 10. | 278/3A1/3A2/9A, VOC Street, Gandhi Nagar, OMR, Kandanchavadi, Kottivakkam Village, Chennai- 600 041 | Chennai zonal office | July 15, 2024 to July 14, 2025 | 12 months |
| 11. | 3 rd Floor, Tower B, Panchshil Business Park, Balewadi, Pune – 411 045 | Pune zonal office | August 9, 2024 to August 8, 2026 | 24 months |
| 12. | Second Floor, Salarpuria Infinity, No. 5, Bannerghatta Road, Bangalore | Additional office space | May 20, 2022 to May | Five years |

| S. No. | Leased property | Description of property | Lease term | Lease tenure |
|--------|---|---|--|--------------------|
| | | | 19, 2027 | |
| 13. | Shop Floor, Mezannine Floor, Kammanahalli Village, Near Nobel Layout, Bannerghatta Road, Begur Hobli, Bangalore, 560076 | Product Validation lab | February 2023 to February 2038 | 5, 4, 15 years |
| 14. | WeWork Krishe Emerald, Laxmi Cyber City, Whitefield, Kondapur, Telengana, 500081 | Hyderabad zonal office | March 2024 to March 2026 | 15, 31, Two years |
| 15. | Technopolis, 8 th Floor, BP Block, Bidhanagar, Sector V, Kolkata | Kolkata zonal office | March 1, 2024 to February 28, 2026 | 24 months |
| 16. | Qaiser Tower, No.19, Khader Nawaz Khan Road, Nungambakkam, Chennai, 600 034 | Chennai zonal office | January 2024 to January 2029 | 12, 11, Five years |
| 17. | Municipal No. 53, Defence Colony, Jeevanbheema Nagar, Bangalore | Warehouse | July 1, 2024 to May 31, 2025 | Eleven months |
| 18. | Municipal No. 53, Defence Colony, Jeevanbheema Nagar, Bangalore | Bengaluru COCO experience centre | December 2023 to November 30, 2026 | 1, Three years |
| 19. | A-91, First Floor Okhla Industrial Phase-II, New Delhi | Delhi training centre | August 2022 to August 2027 | 20, 19, Five years |
| 20. | Premises No. 3 & 4 along with garage, Vinayak CHS Kalyan Ambarnath Road, Ulhasnagar District, Thane - 421003 | Mumbai COCO experience centre | April 1, 2024 to March 31, 2027 | Three years |
| 21. | Industrial Shed No. 71, Sheet No. 30, Near Reliance Petrol Pump, National Biscuit Factory, Powai, Ulhasnagar | Mumbai COCO service centre | April 1, 2024 to March 31, 2029 | Five years |
| 22. | Industrial Shed No. 387, Industrial Area, Phase 1, Panchkula. | Panchkula COCO experience centre and service centre | August 2024 to August 9, 2029 | 10, Five years |
| 23. | Paragraph, B-1501, Mondeal Heights, Near Novotel Hotel, S.G. Highway, Ahmedabad – 380 015 | Ahmedabad zonal office | June 10, 2024 to June 9, 2026 | Two years |
| 24. | 1205, MIE, Tikri Border, Bahadurgarh, Haryana, 124 507 | Administrative office | September 27, 2023 to September 26, 2028 | Five years |
| 25. | 489/1A of Panakkad Village, Ward No. 26 – Varangode, Door no. 271/B, Malappuram Municipality – Kerala 676 519, Building ID - 30213010038176 | Administrative office | September 25, 2023 to September 24, 2026 | Three years |
| 26. | 10, in front of airport, Jhalawar Road, Gumanpura, Kota, Rajasthan, 324 007 | Administrative office | November 10, 2023 to November 9, 2026 | Three years |
| 27. | Plot No. 311 & 312, Municipal Nos. 8-2-293/K/311, 8-2-293/K/311/A, 8-2-293/K/311/B, 8-2-293/K/311/C, 8-2-293/K/311/D, 8-2-293/K/311/E, 8-2-293/K/312, 8-2-293/K/312/A, Sriman Chamber, Kamalapuri Colony, Phase III, Hyderabad, Telangana | Administrative office | November 2023 to October 31, 2028 | 1, Five years |
| 28. | Vassavi Mall Srinivasa Towers, RS No. 209/1 part, RS NO. 209/2 part, Door no. 1-A, A block, Oulgaret, Puducherry, 605 010 | Administrative office | December 2023 to November 30, 2028 | 1, Five years |

| S. No. | Leased property | Description of property | Lease term | Lease tenure |
|--------|--|-------------------------|--------------------------------------|--------------|
| 29. | Second Floor, Plot No. 4B, Municipal No. 553/13A and 553/13B, Adarsh Nagar, Lucknow, Uttar Pradesh | Administrative office | January 1, 2024 to December 31, 2026 | Three years |
| 30. | Commercial Plot. No. 10, Motor Repairs Vistar Yojna Jhalawar Road, Gumanpura, Kota, Rajasthan, 324 007 | Administrative office | March 1, 2024 to February 28, 2029 | Five years |
| 31. | D.No. 19-8-213 (New D.No 19-45-S8/197), Ground Floor, Tirupati Village Accounts, R Road, Hathiramji Residential Area Plot No. 104, RCC House | Administrative office | June 19, 2024 to June 18, 2027 | Three years |
| 32. | Ground Floor, Sun Valley Residency, Arlem, Raia, Salcete, Goa, 403 720 | Administrative office | March 1, 2024 to February 28, 2029 | Five years |
| 33. | Ground Floor, D No. 43-9-185, Subhalakshmi Nagar, Near Donadaparthi, Vishakhapatnam, Andhra Pradesh 530 016 | Administrative office | October 10, 2023 to October 9, 2026 | Three years |
| 34. | 6 th Floor, Tower D, IBC Knowledge Park, 4/1, Bannerghatta Main Road, Bangalore, 560 029 | Tech Centre | October 10, 2024 to October 9, 2029 | Five years |
| 35. | Villa 61, Town House, Temple Green Apartment, Arun Excella, Mathur, Sriperumpudur Taluk, Tamil Nadu 602105 | Serviced apartment | April 1, 2025 to February 28, 2026 | 11 months |
| 36. | Ground Floor, adjacent to Tower D, IBC Knowledge Park, 4/1, Bannerghatta Main Road, Bangalore, 560 029 | Delivery Centre | March 1, 2025 to January 31, 2026 | 11 months |

Insurance

We maintain various insurance policies to safeguard against risks and unexpected events. We maintain property insurance (inclusive of fire and special perils and burglary insurance), electronic equipment insurance, machinery breakdown insurance, portable electronics equipment insurance, money insurance, marine insurance, commercial general liability insurance, directors' and officers' liability insurance, cyber security insurance and crime insurance. In addition, we have obtained an insurance policy to underwrite our liabilities for the two-year extended warranty period under the Ather Battery Protect Program and the three-year extended warranty period under the Eight70 warranty program. These policies are renewed from time to time. Our insurance policies may not be sufficient to cover our economic loss. See ***“Risk Factors— Our insurance policies may not be sufficient to protect us from all business risks, and if our insurance coverage is inadequate, it may have an adverse effect on our business, financial condition and results of operations.”*** on page 90.

KEY REGULATIONS AND POLICIES IN INDIA

Given below is an indicative summary of certain sector specific and relevant laws and regulations in India, which are applicable to the business and operations of our Company. The information available in this section has been obtained from sources available in the public domain and is based on the current provisions of Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and is neither designed nor intended to substitute for professional legal advice.

Industry specific laws

The Electricity Act, 2003 (“Electricity Act”)

The Electricity Act provides for, *inter alia*, generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of the electricity industry. Under the Electricity Act, the transmission, distribution, and trade of electricity are regulated activities which require licenses from the Central Electricity Regulatory Commission (“CERC”), the State Electricity Regulatory Commissions (“SERCs”) or a joint commission (constituted by an agreement entered into between two or more State Governments or the Central Government in relation to one or more State Governments, as the case may be). The Central Electricity Authority in consultation with the state governments, is also empowered to specify suitable measures for safety and electricity supply such as protecting the public from dangers arising from the generation, transmission or distribution of electricity and prohibiting the supply or transmission of electricity except by means of a system which conforms to the specifications, as may be specified.

The Electricity Act also promotes captive generation of electricity and authorizes a person for construction, maintenance or operation of a captive generating plant and dedicated transmission lines, without the requirement of obtaining a license under the Electricity Act.

Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2023 (“CEA Regulations”)

The CEA Regulations are applicable to electrical installation including electrical plant and electric line, and the person engaged in the generation or transmission or distribution or trading or supply or use of electricity. It lays down regulations for safety requirements for electric supply lines and accessories, such as meters, switchgears, switches and cables. All material and apparatus used in the construction, installation, protection, operation and maintenance of electric supply lines and apparatus are required to conform to the relevant standards as provided under the CEA Regulations. Pursuant to the CEA Regulations, all electric supply lines and apparatus are required to have sufficient rating for power, insulation, and estimated fault current and of sufficient mechanical strength, for the duty cycle which they may be required to perform under the environmental conditions of installation and shall be constructed, installed, protected, worked and maintained in such a manner as to ensure safety of human beings, animal and property. The supplier is also required to provide a suitable switchgear in each conductor of every service line other than an earthed or earthed neutral conductor or the earthed external conductor of a concentric cable within a consumer’s premises, in an accessible position and such switchgear is required to be adequately enclosed in a fireproof receptacle. Pursuant to the CEA Regulations, all electric vehicle charging stations are required to conform to additional safety requirements, including providing general safety requirements, incorporating fire retardant material for the enclosures of electric vehicle supply equipment and maintenance of records of design, construction and labelling, including records of the relevant test certificates of the charging station.

The Industries (Development and Regulation) Act, 1951 (“D&R Act”)

The D&R Act provides for the development and regulation of specified industrial undertakings. An industrial undertaking, which is exempt from licensing under the D&R Act, is required to file an Industrial Entrepreneurs Memorandum with the Secretariat for Industrial Assistance, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

Motor Vehicles Act, 1988 and the Central Motor Vehicle Rules, 1989

The Motor Vehicles Act, 1988, and the Central Motor Vehicle Rules, 1989 framed thereunder provide for quality, safety, and performance standards in relation to any part, component, or assembly to be used in the manufacture

of automobiles. In 2019, by way of an amendment, the Central Government has introduced a mandatory recall provision for automobiles if any defects were found in the vehicle or a component of the vehicle, which were harmful to the environment, driver or occupant or other road users or which contains defects which are reported to the Central Government. Further, if a manufacturer notices a defect in a motor vehicle manufactured by them, they may be required on certain conditions, to inform the Central Government of the defect and if necessary, initiate recall proceedings. The Central Government may direct a manufacturer to recall motor vehicles of a particular type or its variants if the defect in that particular type of motor vehicle has been reported to the Central Government by: (i) such percentage of owners; or (ii) a testing agency; or (iii) any other source.

Legal Metrology Act, 2009 (“LM Act”) and the Legal Metrology (Packaged Commodities) Rules, 2011 (“Packaged Commodity Rules”)

The LM 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. The LM Act requires all units of weights and measures used by an entity to be in accordance with the metric system based on the international system of units only. Any non-compliance or violation under the LM Act may result in, *inter alia*, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Packaged Commodities Rules framed under the LM Act enlists specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provides for registration of manufacturers and packers. The Packaged Commodity Rules also provides specific provisions for e-commerce transactions.

Bureau of Indian Standards Act, 2016 (the “BIS Act”)

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) as the national standards body for the standardization, conformity assessment and quality assurance of goods. The functions of the BIS include, *inter alia*, (a) establishing, publishing, reviewing and promoting the Indian standard, in relation to any goods, article, process, system or service (b) adopting as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (c) establishing a standard mark in relation to each of its conformity assessment schemes, which shall be of such design and contain such particulars as may be specified by regulations to represent a particular standard (“Standard Mark”); and (d) appointing certification officers for inspecting whether any goods, article, process, system or service in relation to which the Standard Mark has been used conforms to the relevant standard.

Consumer Protection Act, 2019 (“Consumer Protection Act”) and the rules made thereunder

The Consumer Protection Act provides for timely and effective administration and settlement of consumer disputes. It seeks, *inter alia* to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” has been expanded under the Consumer Protection Act to include persons who buy goods or avail services by offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal commissions for the purposes of redressal of consumer grievances. In cases of misleading and false advertisements, a manufacturer or service provider who causes a false or misleading advertisement to be made which is prejudicial to the interest of consumers can be punished with imprisonment for a term up to two years and with a fine of up to ten lakh rupees.

The Information Technology Act, 2000 (the “IT Act”) and the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”)

The IT Act aims to provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication and facilitate electronic filing of documents. The IT Act creates a constructive mechanism for the authentication of electronic documentation through digital signatures. The IT Act makes electronic commerce seamless by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect such sensitive personal data.

The IT Security Rules enlists directions for the disclosure, collection and transfer of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate or person who on behalf of the body corporate receives, stores or handles information to provide a

privacy policy for handling and dealing with personal information, including sensitive personal data, publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The Digital Personal Data Protection Act, 2023 (“Data Protection Act”)

The Data Protection Act received the assent of the President of India on August 11, 2023 and the provisions of the Data Protection Act shall come into effect on such date as the Central Government may notify in the official gazette. The Data Protection Act provides for collection and processing of digital personal data by persons, including companies. Further, companies collecting and dealing in high volumes of personal data are defined as significant data fiduciaries. These significant data fiduciaries will be required to fulfil certain additional obligations under the Data Protection Act including appointment of a data protection officer who will be the point of contact between such fiduciaries and individuals for grievance redressal. Further such significant data fiduciaries will also be required to appoint an independent data auditor who will evaluate their compliance with the Data Protection Act. The Central Government will also establish the Data Protection Board of India (the “**DPB**”), whose key functions include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by data principals.

The Ministry of Electronics and Information Technology (“**MeitY**”) has published the Digital Personal Data Protection Rules, 2025 (“**Draft Rules**”) for public consultation on January 3, 2025. The Draft Rules facilitate the implementation of the Digital Protection Act. It aims to strengthen the legal framework for the protection of digital personal data by providing necessary details and an actionable framework. The Draft Rules lays down various implementation aspects such as the notice by the data fiduciary to the individuals, registration and obligations of consent manager, processing of personal data for issuance of subsidy, benefit, services by State, applicability of reasonable security safeguards, intimation of personal data breach, providing details about availing of the rights by the individuals, processing of personal data of child or of person with disability, setting up the Data Protection Board (“**Board**”), appointment and service conditions of the chairperson and other members of the Board, functioning of Board as digital office, procedure to appeal to appellate tribunal among others. The Draft Rules are yet to be approved and notified.

Government Plans and Policies

Operational Guidelines for PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme, 2024 (“PM E-Drive Scheme”)

The Ministry of Heavy Industries, Government of India (“**MHI**”), has launched the scheme PM Electric Drive Revolution in Innovative Vehicle Enhancement vide Gazette notification S.O. 4259 (E) on September 29, 2024. The PM E-Drive Scheme, with an outlay of ₹ 1,09,000 million has been implemented from October 1, 2024 till March 31, 2026 and has subsumed EMPS 2024. Certain electric vehicles, including e-2Ws and e-3Ws are eligible for demand incentives to help in generating demand for EVs. An inter-ministerial empowered committee viz. Project Implementation and Sanctioning Committee (“**PISC**”) has been constituted for overall monitoring, sanctioning and implementation of the PM E-Drive Scheme as well as to remove any obstacles/ difficulties that may arise in the implementation stage. In order to obtain benefits under the PM E-Drive Scheme, the OEM has to register with the MHI and submit an application with other additional details and amongst other qualification criteria, obtain certificate of PM E-Drive eligibility assessment from recognised testing agencies. The demand incentive shall be disbursed through an e-enabled framework and mechanism setup under MHI. An authenticated e-Voucher will be generated at the time of sale and will be used to avail the demand incentive.

National Electric Mobility Mission Plan 2020 (“NEMMP”)

The NEMMP promotes adoption of electric vehicles and their manufacturing in India. The NEMMP was designed by the MHI to enhance national fuel security, to provide affordable and environmentally friendly transportation and to enable the Indian automotive industry to achieve global manufacturing leadership. Further, under NEMMP, it is also proposed to develop infrastructure such as charging station for electric vehicles across India, offering incentives for electric vehicle adoption and fostering research and development in the electric vehicle sector. As part of the NEMMP, Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India Scheme was formulated in 2015 to promote the manufacturing of electric and hybrid vehicle technology.

The Guidelines for the Installation and Operation of Electric Vehicle Charging Infrastructure, 2024 (“EV Guidelines”)

The Ministry of Power, GoI pursuant to notification no. 12/2/2018-EV (Comp No. 241852) dated September 17, 2024 issued the EV guidelines. The EV Guidelines were introduced to supersede all the previous guidelines issued by the Ministry of Power and shall be effective from the date of issuance, with a focus to drive EV adoption by making charging stations safe, accessible and reliable. The EV Guidelines prescribe the general requirements for setting up charging stations as well as enshrine the provision of public land at promotional rates for public charging stations. The EV Guidelines also stipulate the levy of charging fee by charge point operators and tariff for supply of electricity to EV charging stations. A network of charging stations will be developed beginning with essential locations and charging during solar hours.

Guidelines on Recognition and Registration of In-house research and development units of Corporate Industries

The Department of Scientific and Industrial Research (“**DSIR**”) is operating a scheme for granting recognition and registration to in-house research and development units established by corporate industry. The in-house research and development units applying for recognition to DSIR are expected to be engaged in innovative research and development activities related to the development of new technologies, design and engineering, process/product/design improvements, developing new methods of analysis and testing; research for increased efficiency in use of resources, such as, capital equipment, materials and energy; pollution control, effluent treatment & recycling of waste products or any other areas of research.

The Automotive Mission Plan 2016-2026 (“AMP”) and the draft National Auto Policy 2018

The Ministry of Heavy Industries, Government of India (“**MHI**”) released the AMP in September 2015, which aims of making the Indian automotive industry an integral part of the “Make in India” programme. It aims to position India as a global hub and amongst the top three nations in the world in engineering, manufacturing and export of automotive vehicles and components by the year 2026. The AMP encourages interventions in the form of incentives for the speedy development of an indigenous component design and manufacturing base for electric and hybrid vehicles industry, and planned establishment of adequate charging stations in both cities and rural areas. The draft National Auto Policy identifies opportunities and challenges for bringing about a shift in the auto industry from pure Internal Combustion Engine Technology to ‘Green Mobility’ technologies (such as Hybrid Vehicles, Battery Electric Vehicles, Fuel Cell Vehicles, Alternative-Fuel Vehicles) through the use of alternate fuels, drive-train technologies or other measures.

Phased Manufacturing Programme dated May 6, 2019 (“PMP”)

The PMP was notified with the objective of development of domestic manufacturing of electric vehicles, its assemblies/sub-assemblies and parts/sub-parts, thereby increasing the domestic values addition and creating employment opportunities. The PMP shall enable the manufactures in the sector to plan their investments for establishment of robust indigenous electric vehicles and related sub-assemblies components manufacturing base in India.

Environmental laws

Environment Protection Act, 1986 (the “EP Act”) and the Environment Protection Rules, 1986 (the “EP Rules”)

The EP Act has been enacted with the objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent, control and abate environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation, or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations, or processes, prohibitions and restrictions on the location of industries as well as prohibitions and restrictions on the handling of hazardous substances in different areas for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

Water (Prevention and Control of Pollution) Act, 1974 (the “Water Act”)

The Water Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, and the establishment of the Central Pollution Control Board, as well as state pollution control boards (“**State PCB**”), to implement its provisions, including to lay down standards of treatment of sewage and trade effluents. The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State PCB. The Water Act also provides that the consent of the State PCB must be obtained prior to establishing any industry, operation or process, or opening of any new outlets, which are likely to discharge sewage effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)

The Air Act provides for the prevention, control and abatement of air pollution. Under the Air Act, the State Government may, after consultation with the relevant state pollution control board declare, by notification in the Official Gazette, any area or areas within the state as air pollution control area or areas for the purposes of the Air Act. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. Further, no person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, “hazardous waste” *inter alia* means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier (importer or exporter), or operator of a disposal facility is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and shall be liable to pay any financial penalty that may be levied by the respective state pollution control board for violation of the Hazardous Waste Rules.

Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”)

The Noise Pollution Rules were enacted to regulate and control noise producing and generating sources with the objective of maintaining of ambient air quality standards in respect of noise in different areas/zones. Pursuant to the Noise Pollution Rules, different areas/zones shall be classified into industrial, commercial, residential or silence areas/zones, with each area having a permitted ambient air quality standard in respect of noise. The Noise Pollution Rules provide for penalties in case the noise levels in any area/zone exceed the permitted standards.

Bio-Medical Waste Management Rules, 2016 (“BMW Rules”)

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle authorization under the BMW Rules for the generation of bio-medical waste to ensure that such waste is handled without any adverse effect to human health and the environment and to set up bio-medical waste treatment facilities as prescribed under the BMW Rules, including pre-treating laboratory and microbiological waste, and providing training to health care workers and others involved in handling bio-medical waste. We are also required to submit an annual report to the prescribed authority and maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/ or any form of handling of biomedical waste in accordance with the BMW Rules and the guidelines issued thereunder. The prescribed authority may cancel, suspend or refuse to renew an authorization, if for reasons to be recorded in writing, the occupier/operator has failed to comply with any of the provisions of EP Act or BMW Rules

E-Waste Management Rules, 2022 (“E-Waste Rules”)

The E-Waste Rules apply to a manufacturer, producer, refurbisher, dismantler and recycler involved in the manufacture, sale, transfer, purchase, refurbishing, dismantling, recycling and processing of e-waste or electrical and electronic equipment specified in the E-Waste Rules, who are required to be registered on an online portal

developed by the central pollution control board. The E-Waste Rules sets out, amongst others, the responsibilities of a manufacturer, producer, refurbisher or recycler, the procedure for storage of e-waste and the management of solar photo-voltaic modules, panels or cells.

Plastic Waste Management Rules, 2016

Under the Plastic Waste Management Rules, 2016, all institutional generators of plastic waste, are required to inter alia, segregate and store the waste generated by them in accordance with the Municipal Solid Waste (Management and Handling) Rules, 2000, as amended, and handover segregated wastes to authorized waste processing or disposal facilities or deposition centres, either on its own or through the authorized waste collection agency.

The Battery Waste Management Rules, 2022 (“Battery Rules”)

The Battery Rules are framed under the EPA and apply to every producer, dealer, consumer, entities involved in collection, segregation, transportation, refurbishment and recycling of waste batteries. The Battery Rules prescribe the functions of a producer, consumer, refurbisher, recycler and dealers of the batteries as well as lay down the action on violations and imposition of environmental compensation. The rules cover all types of batteries, viz. electric vehicle batteries, portable batteries, automotive batteries and industrial batteries. The Battery Rules function based on the concept of ‘extended producer responsibility’ (“EPR”), where the producers (including importers) of batteries are responsible for collection and recycling or refurbishment of waste batteries and use of recovered materials from wastes into new batteries. To meet the EPR obligations, producers may engage themselves or authorise any other entity for collection, recycling or refurbishment of waste batteries. Every person or an entity involved in manufacturing of batteries shall register with Central Pollution Control Board (“CPCB”) in accordance with the procedure provided in the Battery Rules.

Labour laws

Factories Act, 1948

The Factories Act, 1948, as amended (the “**Factories Act**”), defines a “factory” to cover any premises which employs or had employed 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are or were employed on any day of the preceding 12 months, and where a manufacturing process is carried on without the aid of power. Each State Government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act mandates the “occupier” of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”)

The CLRA regulates the employment of contract labour in certain establishments. The CLRA provides that the appropriate Government may, after consultation with the Central or State Advisory Boards (constituted under the CLRA), prohibit employment of contract labour in any process, operation or other work in any establishment.

Shops and establishments legislations

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exist, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments’ acts, and the relevant rules framed thereunder, in each state, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

In addition to the Factories Act, the CLRA and the local shops and establishments legislations, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The various other labour and employment-related legislations (and rules issued thereunder) that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

- Employee's Compensation Act, 1923.
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- Employees' State Insurance Act, 1948.
- The Equal Remuneration Act, 1976.
- Maternity Benefit Act, 1961.
- Minimum Wages Act, 1948.
- Payment of Bonus Act, 1965.
- Payment of Gratuity Act, 1972.
- Payment of Wages Act, 1936.
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.
- The Labour Welfare Fund Act, 1965.
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
- The Tamil Nadu Payment of Subsistence Allowance Act, 1981.
- The Tamil Nadu Panchayats Act, 1996.
- The Apprentices Act, 1961.
- The Trade Unions Act, 1926.
- The Industrial Disputes Act, 1947.
- The Right of Persons with Disabilities Act, 2016.
- The Apprentices Act, 1961.
- The Industrial Employment (Standing Orders) Act, 1946.
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- The Building and Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

- (a) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. This code proposes to provide for, *among other things*, standards for health, safety and working conditions for employees of establishments, and will come into effect on a date to be notified by the Central Government.
- (b) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947 and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code, 2020 will come into effect on a date to be notified by the Central Government.
- (c) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the Government of India brought into force certain sections of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.
- (d) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020. Through its notification dated April 30, 2021, the Government of India brought into force Section 142 of the Code on Social Security, 2020. The remaining provisions of this code will be brought into force on a date to be notified by the Government of India. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employment Exchanges

(Compulsory Notification of Vacancies) Act, 1959, the Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972.

Intellectual property laws

The Trade Marks Act, 1999 (the “Trademarks Act”)

The Trademarks Act governs the statutory protection of trademarks and prohibits any use of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of registered trademarks. Indian law permits the registration of trademarks for both goods and services. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark is removed from the register of trademarks and the registration is required to be restored.

The Patents Act, 1970 (“Patents Act”)

The Patents Act recognises both product and process patents and prescribes eligibility criteria for grant of patents, including the requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection. The term of a patent under the Patents Act is twenty years from the date of filing an application for the patent.

The Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 2013 (“**Copyright Laws**”) governs copyright protection in India. The Register of Copyrights under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

Designs Act, 2000 (“DA”) and the Designs Rules, 2001 (“DR”)

The DA regulates and protects the originality of an article’s design and prohibits the piracy of registered designs. The Central Government also drafted the DR under the authority of the DA for the purposes of specifying certain prescriptions regarding the practical aspects related to designs such as payment of fees, register for designs, classification of goods, address for service, restoration of designs, etc.

Foreign investment and trade regulations

Foreign investment regulations

The Foreign Exchange Management Act, 1999 (“FEMA”) and regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time (the “**Consolidated FDI Policy**”). Under the current Consolidated FDI Policy, foreign investment in manufacturing sector is under automatic route.

Foreign Trade (Development and Regulation) Act, 1992 (the “FTA”)

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the Central Government to formulate as well as announce the foreign trade policy and to keep amending the same on a timely basis. The Central Government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer exporter code (“**IEC**”) number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is suspended or cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Additionally, the Export Promotion Capital Goods Scheme (“**ECG Scheme**”) under chapter 5 of the FTA allows for import of certain capital goods for pre-production, production and post-production at zero customs duty

Tax laws

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- The Income-tax Act 1961, the Income-tax Rules, 1962, as amended by the Finance Act in respective years;
- The Central Goods and Services Tax Act, 2017, the Central Goods and Services Tax Rules, 2017, and various state-wise legislations made thereunder;
- The Integrated Goods and Services Tax Act, 2017, and rules thereof;
- Professional tax-related state-wise legislations; and
- The Customs Act, 1962.

Other Indian laws

In addition to the above, we are also governed by the Indian Stamp Act, 1899, The Micro, Small, and Medium Enterprises Development, 2006. and Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as “Ather Energy Private Limited” as a private limited company under the provisions of the Companies Act, 1956, pursuant to a certificate of incorporation dated October 21, 2013 issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands. Pursuant to a change in the registered office of our Company, a certificate of registration dated May 31, 2016, was issued by the Registrar of Companies, Karnataka at Bangalore. Upon the conversion of our Company into a public limited company, pursuant to a Board resolution dated June 18, 2024 and a shareholders’ resolution dated June 21, 2024, the name of our Company was changed to “Ather Energy Limited”, and a fresh certificate of incorporation dated August 27, 2024 was issued by the Registrar of Companies, Central Processing Centre.

Changes in the registered office of our Company

Except as disclosed below, there has been no change in the registered office of our Company since its incorporation.

| Date of change | Details of change in the registered office | Reasons for change |
|--------------------|---|--------------------------------|
| March 17, 2016 | The registered office of our Company was shifted from No. 5, Venkatrathnam Nagar Extension, 2 nd Street, Adyar, Chennai 600 020, Tamil Nadu, India to No 1 Victoria Road Extension, Victoria Layout 6 th Cross, Bengaluru 560 047, Karnataka, India. | For administrative convenience |
| September 25, 2017 | The registered office of our Company was shifted from No 1 Victoria Road Extension, Victoria Layout 6 th Cross, Bengaluru 560 047, Karnataka, India to 3 rd Floor, Tower D, IBC Knowledge Park, #4/1 Bannerghatta Main Road, Bangalore 560 029, Karnataka, India. | For administrative convenience |

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

- “To carry on the business of generating, accumulating, distributing, storing and supplying energy in all forms including energy in the form of batteries.*
- To engage in the business of purchasing, procuring, selling, importing, exporting and trading all forms of electric power including energy in the form of batteries and ancillary services on commercial basis, either individually or on joint venture basis.*
- To provide consultancy, expert services, advice, designs, drawings in relation to supervision and control of power in India and abroad and to undertake energy related projects.*
- To carry on the business in India and elsewhere in the world as developers, designers, makers, assemblers, manufacturers, producers, importers, exporters, traders, buyers, sellers, suppliers, indenters, agents, sub-agents, jobbers, brokers, repairers, cleaners, or otherwise deal in electrical automobiles as cars, lorries, vans, motor-cycles, motors, scooters, and other vehicles suitable for propulsion on land, sea, or in the air or in any combination thereof and vehicles of all description whether propelled or assisted by means of electrical power and components, accessories and all machinery, implements, utensils, appliances, apparatuses, lubricants, solutions, enamels and all things capable of being used for, in, or in connection with the manufacture, maintenance and working of motors or other vehicles and all other things associated with or incidental to the above business including construction of any track or surface scrapers, recyclers or processors of vehicle waste/e-waste.*

Amendments to our Memorandum of Association in the last 10 years

Set out below are the amendments to our Memorandum of Association in the last 10 years, except as disclosed under “ - *Changes in the registered office of our Company*” above:

| Date of Shareholder's resolution/ Effective date | Particulars |
|---|---|
| August 27, 2015 | <p>Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 1,179,832 divided into 105,360 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 23,490 CCPS of ₹ 37 each and 74,732 Series A preference shares of ₹ 1 each to ₹ 1,191,630 divided into 117,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 23,490 CCPS of ₹ 37 each and 74,732 Series A preference shares of ₹ 1 each.</p> <p>Amendment to Clause III(A) of the Memorandum of Association to reflect change in the objects of the Company to include –</p> <p><i>“To carry on the business in India and elsewhere in the world as manufacturers, producers, importers, exporters, traders, buyers, sellers, suppliers, indenters, agents, sub-agents, jobbers, brokers, repairers, cleaners, or otherwise deal in electrical automobiles as cars, lorries, vans, motor-cycles, motors, scooters, and other vehicles suitable for propulsion on land, sea, or in the air or in any combination thereof and vehicles of all description whether propelled or assisted by means of electrical power and components, accessories and all machinery, implements, utensils, appliances, apparatuses, lubricants, solutions, enamels and all things capable of being used for, in, or in connection with the manufacture, maintenance and working of motors or other vehicles and other things or in the construction of any track or surface adapted for the use thereof.”</i></p> |
| December 6, 2016 | <p>Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 1,191,630 divided into 117,158 equity shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 23,490 CCPS of ₹ 37 each and 74,732 Series A CCPS of ₹ 1 each to ₹ 2,291,630 divided into 217,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 23,490 Series Seed CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each and 100,000 Series B CCPS of ₹ 10 each.</p> |
| July 27, 2018 | <p>Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 2,291,630 divided into 217,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 23,490 Series Seed CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each and 100,000 Series B CCPS of ₹ 10 each to ₹ 3,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 23,490 Series Seed CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 100,000 Series B CCPS of ₹ 10 each, 70,000 Series B1 CCPS of ₹10 each and 23,000 Series C CCPS of ₹10 each.</p> |
| May 20, 2019 | <p>Clause V of the Memorandum of Association was amended to reflect the reclassification of ₹ 3,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 23,490 Series Seed CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 100,000 Series B CCPS of ₹ 10 each, 70,000 Series B1 CCPS of ₹10 each and 23,000 Series C CCPS of ₹10 each to ₹ 3,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 100,000 Series B CCPS of ₹ 10 each, 29,437 Series B1 CCPS of ₹ 10 each and 63,563 Series C CCPS of ₹ 10 each.</p> |
| July 21, 2020 | <p>Clause V of the Memorandum of Association was amended to reflect the reclassification of ₹ 3,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 100,000 Series B CCPS of ₹ 10 each, 29,437 Series B1 CCPS of ₹ 10 each and 63,563 Series C CCPS of ₹ 10 each to ₹ 3,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹10 each, 29,347 Series B1 CCPS of ₹10 each, 33,563 Series C CCPS of ₹ 10 each and 30,264 Series C1 CCPS shares of ₹10 each.</p> |
| November 4, 2020 | <p>Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 3,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹10 each, 29,347 Series B1 CCPS of ₹10 each, 33,563 Series C CCPS of ₹ 10 each and 30,264 Series C1 CCPS of ₹10 each to ₹4,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 Equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹1 each, 99,826 Series B CCPS of ₹10 each, 29,347 Series B1 CCPS of ₹ 10 each, 33,563 Series C CCPS of ₹10 each, 30,264 Series C1 CCPS of ₹10 each and 100,000 Series D CCPS of ₹10 each.</p> |

| Date of Shareholder's resolution/ Effective date | Particulars |
|---|--|
| January 25, 2022 | Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹4,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹1 each, 99,826 Series B CCPS of ₹10 each, 29,347 Series B1 CCPS of ₹ 10 each, 33,563 Series C CCPS of ₹10 each, 30,264 Series C1 CCPS of ₹10 each and 100,000 Series D CCPS of ₹10 each to ₹7,791,630 divided into 287,158 Equity Shares of ₹1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 33,563 Series C CCPS of ₹ 10 each, 30,264 Series C1 CCPS of ₹ 10 each, 100,000 Series D CCPS of ₹ 10 each and 350,000 Series E CCPS of ₹ 10 each. |
| October 14, 2022 | Clause V of the Memorandum of Association was amended to reflect the reclassification of ₹7,791,630 divided into 287,158 Equity Shares of ₹1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS shares of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 33,563 Series C CCPS of ₹ 10 each, 30,264 Series C1 CCPS of ₹ 10 each, 100,000 Series D CCPS of ₹ 10 each and 350,000 Series E CCPS of ₹ 10 each to ₹7,791,630 divided into 287,158 equity shares of ₹1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCCPS of ₹10 each, 29,699 Series C CCPS of ₹10 each, 20,688 Series C1 CCPS of ₹ 10 each, 88,040 Series D CCPS of ₹10 each, 193,789 Series E CCPS shares of ₹10 each, 51,359 Series E1 CCPS of ₹ 10 each, and 130,252 CCPS of ₹ 10 each. |
| August 7, 2023 | Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹7,791,630 divided into 287,158 Equity Shares of ₹1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 29,699 Series C CCPS of ₹10 each, 20,688 Series C1 CCPS of ₹ 10 each, 88,040 Series D CCPS of ₹10 each, 193,789 Series E CCPS of ₹10 each, 51,359 Series E1 CCPS of ₹ 10 each, and 130,252 CCPS of ₹10 each to ₹ 9,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 29,699 Series C CCPS of ₹ 10 each, 20,688 Series C1 CCPS of ₹ 10 each, 88,040 Series D CCPS of ₹ 10 each, 193,789 Series E CCPS of ₹ 10 each, 51,359 Series E1 CCPS of ₹ 10 each, 229,120 Series E2 CCPS of ₹ 10 each, and 51,132 CCPS of ₹10 each. |
| May 28, 2024 | Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 9,291,630 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 29,699 Series C CCPS of ₹ 10 each, 20,688 Series C1 CCPS of ₹ 10 each, 88,040 Series D CCPS of ₹ 10 each, 193,789 Series E CCPS of ₹ 10 each, 51,359 Series E1 CCPS of ₹ 10 each, 229,120 Series E2 CCPS of ₹ 10 each, and 51,132 CCPS of ₹10 each to ₹ 9,365,778 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 29,699 Series C CCPS of ₹ 10 each, 20,688 Series C1 CCPS of ₹ 10 each, 88,040 Series D CCPS of ₹ 10 each, 193,789 Series E CCPS of ₹ 10 each, 51,359 Series E1 CCPS of ₹ 10 each, 229,120 Series E2 CCPS of ₹ 10 each, 51,132 CCPS of ₹10 each and 74,148 Series F CCPS of ₹1 each. |
| June 21, 2024 | Clause I of the Memorandum of Association was amended to reflect the conversion of our Company from private limited company into public limited company and consequent change in the name of our Company from "Ather Energy Private Limited" to "Ather Energy Limited" Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 9,365,778 divided into 287,158 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two |

| Date of Shareholder's resolution/ Effective date | Particulars |
|---|---|
| | CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 29,699 Series C CCPS of ₹ 10 each, 20,688 Series C1 CCPS of ₹ 10 each, 88,040 Series D CCPS of ₹ 10 each, 193,789 Series E CCPS of ₹ 10 each, 51,359 Series E1 CCPS of ₹ 10 each, 229,120 Series E2 CCPS of ₹ 10 each, 51,132 CCPS of ₹10 each and 74,148 Series F CCPS of ₹1 each to ₹ 500,000,000 divided into 299,869,390 Equity Shares of ₹ 1 each, 3,530 equity shares of ₹ 37 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 29,699 Series C CCPS of ₹ 10 each, 20,688 Series C1 CCPS of ₹ 10 each, 88,040 Series D CCPS of ₹ 10 each, 193,789 Series E CCPS of ₹ 10 each, 51,359 Series E1 CCPS of ₹ 10 each, 229,120 Series E2 CCPS of ₹ 10 each, 74,148 Series F CCPS of ₹1 each and 19,156,331 CCPS of ₹10 each |
| | Sub-division of 3,530 equity shares of face value ₹37 each into 130,610 Equity Shares of face value ₹ 1 each and corresponding change to the Memorandum of Association |
| September 5, 2024 | Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital from ₹ 500,000,000 divided into 300,000,000 Equity Shares of ₹ 1 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 29,699 Series C CCPS of ₹ 10 each, 20,688 Series C1 CCPS of ₹ 10 each, 88,040 Series D CCPS of ₹ 10 each, 193,789 Series E CCPS of ₹ 10 each, 51,359 Series E1 CCPS of ₹ 10 each, 229,120 Series E2 CCPS of ₹ 10 each, 74,148 Series F CCPS of ₹1 each and 19,156,331 CCPS of ₹10 each to ₹ 1,000,000,000 divided into 600,000,000 Equity Shares of ₹ 1 each, 710 Series Seed - One CCPS of ₹ 37 each, 530 Series Seed - Two CCPS of ₹ 37 each, 350 Series Seed - Three CCPS of ₹ 37 each, 21,900 Series Seed - Four CCPS of ₹ 37 each, 74,732 Series A CCPS of ₹ 1 each, 99,826 Series B CCPS of ₹ 10 each, 29,347 Series B1 CCPS of ₹10 each, 29,699 Series C CCPS of ₹ 10 each, 20,688 Series C1 CCPS of ₹ 10 each, 88,040 Series D CCPS of ₹ 10 each, 193,789 Series E CCPS of ₹ 10 each, 51,359 Series E1 CCPS of ₹ 10 each, 229,120 Series E2 CCPS of ₹ 10 each, 74,148 Series F CCPS of ₹1 each and 39,156,331 CCPS of ₹10 each |
| September 5, 2024 | Clause III of the Memorandum of Association was amended in order to align the Memorandum of Association with the requirements of the Companies Act, 2013 and Clause IV of the Memorandum of Association was amended to align with Table A of the schedule I of the Companies Act, 2013. |

Major events and milestones of our Company

The table below sets forth some of the key events and milestones in our history:

| Calendar Year | Milestone |
|---------------|---|
| 2013 | Founded by Tarun Sanjay Mehta and Swapnil Babanlal Jain |
| 2018 | Launch of Ather 450 |
| | Launch of our first experience center and charging infrastructure |
| 2020 | Launch of Ather 450X |
| 2021 | Commenced operations at the first facility in Hosur factory |
| 2022 | Commenced operations at the second facility in Hosur factory |
| 2023 | Launch of Ather 450S |
| 2024 | Launch of Ather 450 Apex and Rizta |
| | Crossed cumulative sales of 341,113 E2Ws |
| | Sub-lease of land for 95 years for setting up of Factory 3.0 in Chhatrapati Sambhajnagar, Maharashtra |

Awards, accreditations and recognition

The table below sets forth some of the key awards, accreditations and recognition received by our Company:

| Calendar Year | Awards, accreditations and recognition |
|---------------|---|
| 2016 | <ul style="list-style-type: none"> Recognised as ‘Best on Campus’ at ET Startup Awards Recognised as ‘Most Promising Start-up Impacting Automotive’ at IoTNext 2016 Awards by India Electronics and Semiconductor Association |
| 2018 | <ul style="list-style-type: none"> The Ather 450 received the ‘Black Elephant’ award at the 2018 Kyoorius Design Awards Ather space received the ‘Blue Elephant’ award for retail design at the 2018 Kyoorius Design Awards The Ather 450 received the ‘Blue Elephant’ award for consumer product design at the 2018 Kyoorius Design Awards The Ather 450 received the ‘Electric Powertrain of the Year – 2W’ award at the India Automotive Technology and Innovation Awards The Ather 450 was recognised as ‘Scooter of the Year’ by the 3rd ASSOCHAM Auto Forum & Awards The Ather 450 was recognised as ‘Two Wheeler Design of the Year’ by the 3rd ASSOCHAM Auto Forum & Awards |
| 2020 | Received an award for ‘Excellent Contribution in the Field of Patents’ at the Fox Asia Health, Education & IPR (Conference & Awards) by Social Talks |
| 2021 | <ul style="list-style-type: none"> Received certificate of achievement of “Excellence in Culture Evolution” from CHRO Vision and Innovation Summit & Awards 2021. Received the following awards from CarandBike <ul style="list-style-type: none"> ‘Scooter of the Year’ for the Ather 450X First runner-up of the ‘Two Wheeler of the Year’ for the Ather 450X ‘EV Two Wheeler of the Year’ for the Ather 450X ‘Viewer’s Choice Award from Best Scooter’ The Ather 450X was recognised as the ‘Best of 2021’ by autoX The Ather 450X was recognised as the “Winner – Electric Two-Wheeler of the Year” in the TopGear India Awards 2021 The Ather 450X received the “Best Indian EV Two Wheeler of the Year” from MotorOctane The Ather 450X received the “Green Two Wheeler of the Year” from Autocar |
| 2022 | Received an award for ‘Two-Wheeler Manufacturer of the Year’ from CarandBike Ranked #2 in the automobile industry (mid-sized category) in the AmbitionBox Best Places to Work in India Awards 2022 |
| 2024 | <ul style="list-style-type: none"> Certified as the most preferred workplace for 2023-2024 in manufacturing by Marksmen Daily Received an award for “Electric two wheeler of the year – Ather Rizta” from Jagran Hi Tech Received an award for Ather Rizta, “CII Design Excellence Award, 2024” in mobility design Received an award for Ather Halo Smart Helmet, “Blue Elephant Award” for wearables in the product design category at the Kyoorius Design Awards, 2024 The Ather Rizta, and the Ather Apex received “Good Design Award, 2024” in the transportation category by the Chicago Athenaeum: Museum of Architecture and Design and the European Centre of Architecture Art Design and Urban Studies The Ather Halo - Smart Helmet won the Good Design Award, 2024 in the electronics category by the Chicago Athenaeum: Museum of Architecture and Design and the European Centre of Architecture Art Design and Urban Studies Received an award for Ather Rizta and Ather Apex, “German Design Award for Excellent Product Design - Motorcycles, 2024” by the German Design Council |

| Calendar Year | Awards, accreditations and recognition |
|---------------|--|
| | <ul style="list-style-type: none"> Received an award for Ather Halo - Smart Helmet, “German Design Award for Excellent Product Design, 2024” by the German Design Council |
| | <ul style="list-style-type: none"> Received an award for the Ather Rizta Scooter, “India’s Best Design Project, 2024” by India’s Best Design Awards |
| | <ul style="list-style-type: none"> The Ather Rizta User Interface won India’s Best Design Project, 2024 by India’s Best Design Awards |
| | <ul style="list-style-type: none"> The Ather Halo Smart Helmet won India’s Best Design Project, 2024 by India’s Best Design Awards |
| | <ul style="list-style-type: none"> The Ather Apex website won India’s Best Design Project, 2024 by India’s Best Design Awards |
| | <ul style="list-style-type: none"> Received an award for “India’s Best Design Project, 2024”, for the Ather mobile application redesign by India’s Best Design Awards |
| | <ul style="list-style-type: none"> Received an award for “India’s Best In-house Design Studio, 2024” by India’s Best Design Awards |
| 2025 | <ul style="list-style-type: none"> Received an award for “Electric two-wheeler of the year – Ather Rizta” by Autocar Awards, 2025 |
| | <ul style="list-style-type: none"> Ather Rizta received an award for 2025 Scooter” from Acko Drive Awards |

Significant financial and strategic partnerships

Except for the collaboration agreement with HMCL, as disclosed below under “- *Other Material Agreements*”, our Company does not have any significant financial or strategic partnerships as on the date of this Red Herring Prospectus.

Time/cost overrun in setting up projects

As on the date of this Red Herring Prospectus, there has been no time or cost over-run in respect of our business operations.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

As on the date of this Red Herring Prospectus, there has been no instance of rescheduling/ restructuring of borrowings with financial institutions/banks in respect of our Company’s borrowings.

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*” and “- *Major events and milestones of our Company*” on pages 257 and 329, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years.

Guarantees provided to third parties by our Promoters offering their Equity Shares in the Offer for Sale

As on the date of this Red Herring Prospectus, no guarantee has been issued by our Promoters offering their Equity Shares in the Offer for Sale to third parties.

Summary of key agreements and shareholders’ agreements

As on the date of this Red Herring Prospectus, other than as disclosed below, there are no other subsisting shareholders’ agreements, arrangements or agreements that our Company is aware of, and there are no clauses/covenants which are material and which need to be disclosed in this Red Herring Prospectus or non-disclosure of which may have a bearing on the investment decision in connection with the Offer. Further, there are no other clauses/covenants that are adverse or prejudicial to the interest of the minority/public Shareholders of our Company.

Amended and Restated Shareholders' Agreement dated July 30, 2024 entered into among our Company, Tarun Sanjay Mehta, Swapnil Babanlal Jain, Mehta Family Trust, Tarun Swarna Family Trust, Jain Family Trust, Swapnil Jain Family Trust, Internet Fund III Pte. Ltd., HMCL, Caladium Investment Pte Ltd, 3State Ventures Pte. Ltd., IITMS Rural Technology and Business Incubator, NK Squared, Kamath Associates, National Investment and Infrastructure Fund II (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited), India-Japan Fund (represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited), Venkatachary Srinivasan, IITM Incubation Cell, Arun Vinayak, Achal Kothari, Asha Krishnakumar, R. Mahadevan, Abhishek Venkataraman, Gurusankar Sankararaman, Jayaprakash Vijayan, Volpi Cupal Trust, Sagar Meher Pushpala, InnoVen Capital India Fund, Herald Square Ventures, Guerilla Ventures Private Limited, Amit Bhatia, Karandeep Singh and Amod Malviya ("SHA"), as amended by way of the amendment cum waiver and consent agreement dated September 5, 2024 ("SHA Amendment cum Waiver Agreement")

The SHA governs the mutual rights and obligations of the parties to the SHA in relation to their respective shareholding in our Company, management of our Company and certain other rights and obligations. Pursuant to the terms of the SHA, (a) each of National Investment and Infrastructure Fund II and Caladium Investment Pte Ltd have the right to nominate one director on the Board, (b) Tarun Sanjay Mehta and Swapnil Babanlal Jain, collectively, and (c) HMCL have the right to nominate two directors on the Board each. In addition to the right to nominate directors, (i) HMCL, (ii) Caladium Investment Pte Ltd, and (iii) National Investment and Infrastructure Fund II and India-Japan Fund (jointly), have the right to appoint one non-voting observer each, on the Board, and such non-voting observers have the right to attend all meetings of the Board and committees of the Board, respectively. Additionally, each of the directors nominated by the investors are entitled to receive all notices, agenda (and all information and documents circulated to the Board and the Shareholders in connection with meetings of the Board or any committees thereof), as provided under the SHA. Further, the SHA provides certain inspection and information rights to Internet Fund III Pte. Ltd., HMCL, Caladium Investment Pte Ltd, 3State Ventures Pte. Ltd., IITMS Rural Technology and Business Incubator, India-Japan Fund and National Investment and Infrastructure Fund II (collectively, the "**Investors**"), and certain additional information rights to National Investment and Infrastructure Fund II, Caladium Investment Pte Ltd and India-Japan Fund. The Investors have also agreed to be subject to certain restrictions and obligations in relation to certain proposed transfers of shareholding by the Investors, including providing inter-se rights of first offer/ refusal, tag along rights and drag along rights.

In order to facilitate the Offer, the parties to the SHA have entered into the SHA Amendment cum Waiver Agreement, pursuant to which certain provisions of the SHA have been amended to facilitate the Offer, and parties have also provided certain waivers and consents, in relation to their rights under the SHA for the purposes of the Offer, including, *inter alia*, (i) waiver for executing any deed of adherence for allotment/transfer of Equity Shares pursuant to the Offer, (ii) waiver for adjournment of any meetings of the Board for three business days due to non-availability of quorum, in respect of matters directly related to the Offer, and (c) consents for disclosure of the terms of the SHA and the SHA Amendment cum Waiver Agreement in the Offer related documents and for participation of the Selling Shareholders, who are also parties to the SHA, in the Offer for Sale. The SHA Amendment cum Waiver Agreement shall automatically terminate and the amendments, waivers and consents provided pursuant to it shall automatically cease to be effective and the rights and obligations of the parties to the SHA shall stand reinstated, as existing prior to the execution of the SHA Amendment cum Waiver Agreement, upon the earlier of: (a) if the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer has not occurred within six months from the date of conversion of Preference Shares held by the Investors into Equity Shares in accordance with the SHA, or such other date as maybe mutually agreed among the parties to the SHA, in writing; or (b) if this Red Herring Prospectus is rejected by SEBI; or (c) completion of 12 months from the date of issuance of final observations by SEBI on this Red Herring Prospectus; or (d) the date on which the Board by way of a resolution passed at its meeting, decides not to undertake the Offer and/or withdraw any offer document filed with SEBI, subject to applicable laws, however, certain amendments to Part B of the Articles of Association in respect of provisions corresponding to public companies under applicable law, shall survive termination, as provided under the SHA Amendment cum Waiver Agreement.

Upon the commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, the SHA, along with all rights available to the parties, shall stand automatically terminated without requiring any further action, except for certain clauses relating to governing law, dispute resolution, confidentiality and notices that will continue to survive such termination. Further, all provisions of Part B of the Articles of Association of our Company shall automatically terminate and cease to have any force and effect and the provisions of Part A of

the Articles of Association shall automatically come in effect and be in force, without any further corporate or other action, by the parties.

Other material agreements

Collaboration agreement dated November 23, 2023 entered into between our Company and HMCL

Our Company has entered into a collaboration agreement with HMCL (“**Agreement**”), pursuant to which our Company and HMCL have agreed to collaborate on enabling interoperability of charging stations and other ancillary activities. Pursuant to the Agreement, our Company and HMCL have agreed to develop and set up a charging management system in relation to interoperability between the charging stations of our Company and of HMCL, through open charge point interface (“**OCPI**”). Accordingly, users of EVs of HMCL and EVs of our Company, will be able to access and charge at the charging stations of our Company or HMCL, respectively, in order to ensure a wider availability of charging stations for such users, and such usage would be referred to as “**Roaming Session**” for which our Company and HMCL have agreed to have a common basis for applying a fee payable by our Company to HMCL or vice versa.

Agreements with Key Managerial Personnel or Senior Management or Directors or Promoters or any other employee

As on the date of this 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.

Agreements required under Clause 5A of paragraph A of part A of Schedule III of the SEBI Listing Regulations

As on the date of this Red Herring Prospectus, except as disclosed under “ - *Summary of key agreements and shareholders’ agreements*” on page 331, there are no other agreements required to be disclosed under Clause 5A of paragraph A of part A of Schedule III of the SEBI Listing Regulations.

Holding company

As on the date of this Red Herring Prospectus, our Company has no holding company.

Subsidiaries of our Company

As on the date of this Red Herring Prospectus, our Company does not have any subsidiaries.

Confirmations

Business Interest in our Company

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary or associate.

Common Pursuits with our Company

As on the date of this Red Herring Prospectus, our Company does not have any subsidiary or associate.

OUR MANAGEMENT

Under the Articles of Association, our Company is authorised to have a minimum of three Directors and a maximum of up to 15 Directors. As on the date of this Red Herring Prospectus, our Board comprises nine Directors, of whom three are Independent Directors (including one woman Director). Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth details regarding our Board of Directors as on the date of this Red Herring Prospectus:

| Name, designation, term, period of directorship, address, occupation, date of birth, age and DIN | Directorships in other companies |
|---|---|
| Tarun Sanjay Mehta <i>Designation:</i> Executive Director and Chief Executive Officer <i>Term:</i> Five years with effect from May 30, 2024 <i>Period of Directorship:</i> Director since October 21, 2013 <i>Address:</i> Flat A 603, Mantri Sarovar, Opposite Agara Lake, HSR Layout, Bengaluru, Karnataka, 560 102 <i>Occupation:</i> Professional <i>Date of Birth:</i> October 31, 1989 <i>Age:</i> 35 years <i>DIN:</i> 06392463 | Nil |
| Swapnil Babanlal Jain <i>Designation:</i> Executive Director and Chief Technical Officer <i>Term:</i> Five years with effect from May 30, 2024 <i>Period of Directorship:</i> Director since October 21, 2013 <i>Address:</i> Huron, H-1302, SNN Raj Lakeview, Phase-2, Ranka Colony Road, Ranka Colony, Munivenkatappa Layout, Bangalore South, Bengaluru, Karnataka, 560 076 <i>Occupation:</i> Professional <i>Date of Birth:</i> June 23, 1989 <i>Age:</i> 35 years <i>DIN:</i> 06682759 | Nil |
| Niranjan Kumar Gupta <i>Designation:</i> Non-executive Director (nominee of HMCL) <i>Term:</i> Liable to retire by rotation <i>Period of Directorship:</i> Director since November 3, 2020 <i>Address:</i> Flat No - 703, Tower B, Bestech Park View Spa, Sector 47, Gurugram, Haryana, 122 018 <i>Occupation:</i> Service <i>Date of Birth:</i> January 30, 1971 | <i>Indian Companies</i> <ul style="list-style-type: none"> • HMC MM Auto Limited <i>Foreign Companies</i> <ul style="list-style-type: none"> • HMCL Netherlands BV • HMCL Colombia SAS |

| Name, designation, term, period of directorship, address, occupation, date of birth, age and DIN | Directorships in other companies |
|--|---|
| <p>Age: 54 years</p> <p>DIN: 07806792</p> | |
| <p>Nilesh Shrivastava</p> <p><i>Designation:</i> Nominee Director (nominee of National Investment and Infrastructure Fund II)</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since July 22, 2022</p> <p><i>Address:</i> D-18, 3rd Floor, Saket, New-Delhi, 110 017</p> <p><i>Occupation:</i> Service</p> <p><i>Date of Birth:</i> October 1, 1973</p> <p>Age: 51 years</p> <p>DIN: 09632942</p> | <p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Aseem Infrastructure Finance Limited NIIF Infrastructure Finance Limited <p><i>Foreign Companies</i></p> <p>Nil</p> |
| <p>Pankaj Sood</p> <p><i>Designation:</i> Nominee Director (nominee of Caladium Investment Pte Ltd)</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since November 11, 2022</p> <p><i>Address:</i> C2106, Oberoi Exquisite, Opposite Oberoi Woods, Goregaon East, Mumbai, Maharashtra, 400 063</p> <p><i>Occupation:</i> Service</p> <p><i>Date of Birth:</i> July 11, 1975</p> <p>Age: 49 years</p> <p>DIN: 05185378</p> | <p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Aditya Birla Fashion and Retail Limited Mphasis Limited Bandhan Financial Holdings Limited Bandhan Financial Services Limited Spore Investment Management (India) Private Limited Singapore Investcorp (India) Private Limited <p><i>Foreign Companies</i></p> <p>Nil</p> |
| <p>Ram Kuppuswamy</p> <p><i>Designation:</i> Non-executive Director (nominee of HMCL)</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Director since January 27, 2023</p> <p><i>Address:</i> Tower A3, Apt 1501, Sector 30, World Spa East, Gurugram, Haryana, 122 001</p> <p><i>Occupation:</i> Service</p> <p><i>Date of Birth:</i> June 25, 1976</p> <p>Age: 48 years</p> <p>DIN: 09817635</p> | <p>Nil</p> |
| <p>Kaushik Dutta</p> <p><i>Designation:</i> Independent Director</p> <p><i>Term:</i> Five years with effect from May 6, 2024</p> | <p><i>Indian Companies</i></p> <ul style="list-style-type: none"> PB Fintech Limited Eternal Limited |

| Name, designation, term, period of directorship, address, occupation, date of birth, age and DIN | Directorships in other companies |
|---|---|
| <p><i>Period of Directorship:</i> Director since May 6, 2024</p> <p><i>Address:</i> A-843, Lavy Pinto Block, Asiad Games Village, Khel Gaon, New Delhi, 110 049</p> <p><i>Occupation:</i> Business</p> <p><i>Date of Birth:</i> May 1, 1962</p> <p><i>Age:</i> 62 years</p> <p><i>DIN:</i> 03328890</p> | <ul style="list-style-type: none"> • Zomato Hyperpure Private Limited • Paisabazaar Marketing And Consulting Private Limited • Resilient Innovations Private Limited • Zinka Logistics Solutions Limited • Hero FinCorp Limited • Thought Arbitrage Research Institute • Shiprocket Limited <p><i>Foreign Companies</i></p> <p>Nil</p> |
| Neelam Dhawan | <i>Indian Companies</i> |
| <p><i>Designation:</i> Chairperson and Independent Director</p> <p><i>Term:</i> Three years with effect from August 27, 2024</p> <p><i>Period of Directorship:</i> Director since August 27, 2024</p> <p><i>Address:</i> C – 3/10, Dlf City, Phase I, Near Park, Gurugram, Haryana, 122 002</p> <p><i>Occupation:</i> Professional</p> <p><i>Date of Birth:</i> October 22, 1959</p> <p><i>Age:</i> 65 years</p> <p><i>DIN:</i> 00871445</p> | <ul style="list-style-type: none"> • Hindustan Unilever Limited • Fractal Analytics Limited • ICICI Bank Limited • Capillary Technologies India Limited • Tech Mahindra Limited • Nudge Lifeskills Foundation <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> • Capita PLC |
| Sanjay Nayak | <i>Indian Companies</i> |
| <p><i>Designation:</i> Independent Director</p> <p><i>Term:</i> Five years with effect from August 27, 2024</p> <p><i>Period of Directorship:</i> Director since August 27, 2024</p> <p><i>Address:</i> N- 8, Assetz 27 Park Avenue, 24th main road HSR Layout Sector I, Bengaluru, Karnataka, 560 102</p> <p><i>Occupation:</i> Engineer/ Business</p> <p><i>Date of Birth:</i> June 28, 1964</p> <p><i>Age:</i> 60 years</p> <p><i>DIN:</i> 01049871</p> | <ul style="list-style-type: none"> • Shramol Technologies Private Limited • Epic Electronics Products Foundation <p><i>Foreign Companies</i></p> <p>Nil</p> |

Arrangement or understanding with major shareholders, customers, suppliers or others

Except Niranjana Kumar Gupta and Ram Kuppuswamy who have been appointed as nominees of HMCL, Nilesh Shrivastava who has been appointed as nominee of National Investment and Infrastructure Fund II and Pankaj Sood who has been appointed as nominee of Caladium Investment Pte Ltd, none of our Directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

For further details, see “*History and Certain Corporate Matters – Key agreements and shareholders’ agreements*” on page 331.

Brief profiles of our Directors

Tarun Sanjay Mehta, one of the Promoters, is an Executive Director and the Chief Executive Officer of our Company. He has been associated with our Company since incorporation and leads operations in the product, business as well as growth front. He holds a bachelor's and masters' degree in technology in engineering design from Indian Institute of Technology, Madras under the dual degree programme. He has over 10 years of experience in the electric vehicles sector. He attended the CEO Forum (Quai d'Orsay) in Paris, France in 2023. He has received the 'Jagdish Khattar Rising Star' award from Acko Drive, the 'Young Entrepreneur' award from the All India Management Association, the 'Keep Walking' award from India chapter of International Advertising Association and Walkers & Co, and was named in the list of 'India 30 under 30' by Forbes India in 2018 and in Fortune '40 under 40' in 2019, 2021 and 2023.

Swapnil Babanlal Jain, one of the Promoters, is an Executive Director and the Chief Technical Officer of our Company. He has been associated with our Company since incorporation and works on both the long-term technology roadmap for our Company, as well as day-to-day aspects of creating an engineering team and culture. He holds a bachelor's and masters' degree in technology in engineering design from Indian Institute of Technology, Madras under the dual degree programme. He has over 10 years of experience in the electric vehicles sector. He has received 'Young Entrepreneur' award from the All India Management Association and was named in the list of 'India 30 under 30' by Forbes India in 2018 and in Fortune '40 under 40' in 2019, 2021 and 2023.

Niranjan Kumar Gupta is a Non-executive Director of our Company and a nominee of HMCL on our Board. He has been associated with our Company since November 3, 2020. He holds a bachelor's degree in commerce from University of Calcutta. He is a qualified chartered accountant, company secretary and cost and works accountant. He was previously associated with Vedanta Group as the chief financial officer for the aluminium and power vertical. He is currently the chief executive officer of HMCL, however he steps down as chief executive officer of HMCL with effect from April 30, 2025. He has over 10 years of experience in finance, mergers and acquisitions and supply chain.

Nilesh Shrivastava is a Nominee Director of our Company, nominee of National Investment and Infrastructure Fund II on our Board. He has been associated with our Company since July 22, 2022. He holds a bachelor's degree in technology from Lucknow University and a post-graduate diploma in management from Indian Institute of Management, Calcutta. He was previously associated with International Finance Corporation as a manager. He is currently designated as a Partner, Strategic Opportunities Fund at National Investment and Infrastructure Fund II. He has over 25 years of experience in private equity, portfolio management and banking.

Pankaj Sood is a Nominee Director of our Company, nominee of Caladium Investment Pte Ltd on our Board. He has been associated with our Company since November 11, 2022. He holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Kharagpur and a post-graduate diploma in computer aided management from Indian Institute of Management, Kolkata. He was previously associated with Kotak Mahindra Capital Company Limited, Ernst & Young and SBI Capital Markets. He is currently employed by GIC in the Global Leadership Group. He has over 25 years of experience in finance, advisory and capital markets.

Ram Kuppuswamy is a Non-executive Director of our Company and a nominee of HMCL on our Board. He has been associated with our Company since January 27, 2023. He holds a bachelor's degree in engineering from Madurai Kamaraj University and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. He was previously associated with Bharti Airtel Limited and VMWare Singapore Pte. Ltd. He is currently designated as the chief operations officer – manufacturing of HMCL. He has over nine years of experience in supply chain management, logistics and customer fulfilment.

Kaushik Dutta is an Independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India and a co-founder of Thought Arbitrage Research Institute, an independent not-for-profit research think tank working in areas of corporate governance and sustainability. He was also associated with Price Waterhouse & Co Chartered Accountants, LLP, and Lovelock & Lewes, Chartered Accountants as Partner for over 16 years. He was engaged as an expert on corporate governance by the Indian Institute of Corporate Affairs of the Ministry of Corporate Affairs in matters relating to future of corporate governance in India, was engaged as a consultant by the Serious Fraud Investigation Office, MCA and was a member of the Task Force to lay down the Criteria for Selection of the Strategic Partners for Various Platforms from the Private Sector Industry. He has over 25 years of experience in governance, policy and audit.

Neelam Dhawan is the Chairperson and an Independent Director of our Company. She holds a bachelor's degree in arts (economics) from the University of Delhi and a master's degree in business administration from the

University of Delhi. She was previously associated with Hewlett-Packard Enterprise India Private Limited as vice-president, solutions sales and with HP India Sales Private Limited, Hewlett-Packard India Private Limited, Microsoft Corporation (India) Private Limited as managing director. Currently she serves as an independent director on the boards of ICICI Bank Limited, Capita PLC and Tech Mahindra Limited. She has over 18 years of experience in information technology.

Sanjay Nayak is an Independent Director of our Company. He has been associated with our Company since August 27, 2024. He holds a bachelor's degree in science (engineering) from Birla Institute of Technology, Ranchi University and a master's degree in science from North Carolina State University, Raleigh. He was previously associated with Tejas Networks Limited as its managing director and chief executive officer. He has over 23 years of industry experience and has expertise in electronics and telecommunications.

Relationship between our Directors, Key Managerial Personnel and Senior Management

None of our Directors are related to each other or to any of the Key Managerial Personnel or Senior Management.

Terms of appointment of our Executive Directors

Tarun Sanjay Mehta: Tarun Sanjay Mehta is an Executive Director and the Chief Executive Officer of the Company. He has been associated with our Company since October 21, 2013. He was re-appointed as the Executive Director and the Chief Executive Officer of the Company pursuant to the resolution passed by our Board dated July 28, 2023, for a period of five years with effect from May 30, 2024. Pursuant to the resolution of the Board dated August 27, 2024 and the resolution of the Shareholders dated September 5, 2024, he is entitled to the following remuneration and perquisites, for Fiscal 2025 with effect from August 1, 2024:

| S. No. | Particulars | Remuneration per annum (₹ million) |
|--------|-------------------------|------------------------------------|
| 1. | Fixed compensation | 21.00 |
| | i. Basic | 10.50 |
| | ii. HRA | 5.25 |
| | iii. Special Allowance | 3.45 |
| | iv. Provident Fund | 1.26 |
| | v. Gratuity | 0.51 |
| | vi. Mediclaim Insurance | 0.02 |
| | vii. Life Insurance | 0.01 |
| 2. | Variable compensation | 9.00 |
| | Total | 30.00 |

Further, our Board by way of its resolution dated August 27, 2024 and shareholders by way of their special resolution dated September 5, 2024, have approved a revised annual remuneration of up to ₹ 50 million in any Fiscal Year where our Company has no profit or where profit is inadequate for Tarun Sanjay Mehta, for a period of three years with effect from August 1, 2024, in accordance with Companies Act, 2013, as may be approved by the Board based on the recommendation of the Nomination and Remuneration Committee from time to time.

Swapnil Babanlal Jain: Swapnil Babanlal Jain is the Executive Director and the Chief Technical Officer of the Company. He has been associated with our Company since October 21, 2013. He was re-appointed as the Executive Director and the Chief Technical Officer of the Company pursuant to the resolution passed by our Board dated July 28, 2023, for a period of five years with effect from May 30, 2024. Pursuant to the resolution of the Board dated August 27, 2024 and the resolution of the Shareholders dated September 5, 2024, he is entitled to the following remuneration and perquisites, for Fiscal 2025 with effect from August 1, 2024:

| S. No. | Particulars | Remuneration per annum (₹ million) |
|--------|-------------------------|------------------------------------|
| 1. | Fixed compensation | 21.00 |
| | i. Basic | 10.50 |
| | ii. HRA | 5.25 |
| | iii. Special Allowance | 3.45 |
| | iv. Provident Fund | 1.26 |
| | v. Gratuity | 0.51 |
| | vi. Mediclaim Insurance | 0.02 |
| | vii. Life Insurance | 0.01 |
| 2. | Variable compensation | 9.00 |
| | Total | 30.00 |

Further, our Board by way of its resolution dated August 27, 2024 and shareholders by way of their special resolution dated September 5, 2024, have approved a revised annual remuneration of up to ₹ 50 million in any Fiscal Year where our Company has no profit or where profit is inadequate for Swapnil Babanlal Jain, for a period of three years with effect from August 1, 2024, in accordance with Companies Act, 2013, as may be approved by the Board based on the recommendation of the Nomination and Remuneration Committee from time to time.

Compensation paid to our Executive Directors

Details of the remuneration paid to our Executive Directors for Fiscal 2025 are set forth below:

| | | (in ₹ million) |
|--------|--------------------------------|--------------------|
| S. No. | Name of the Executive Director | Total Remuneration |
| 1. | Tarun Sanjay Mehta | 27.84* |
| 2. | Swapnil Babanlal Jain | 27.84* |

*This excludes variable pay for Fiscal 2024 paid in Fiscal 2025, but includes variable pay of ₹ 7.67 million for Fiscal 2025 payable in Fiscal 2026.

Compensation paid to our Non-executive Directors and Nominee Directors

As on the date of this Red Herring Prospectus, our Non-Executive Directors and Nominee Directors are neither entitled to any sitting fees for attending meetings of the Board or any of its committees, not entitled to any commission or remuneration from our Company. Accordingly, our Non-executive Directors, Niranjan Kumar Gupta, and Ram Kuppuswamy and our Nominee Directors, Nilesh Shrivastava and Pankaj Sood, did not receive any compensation from our Company during Fiscal 2024.

Compensation paid to our Independent Directors

Pursuant to a resolution passed by our Board on May 16, 2024, our Independent Directors are entitled to receive a sitting fee of ₹ 0.10 million for attending each meeting of our Board and committees constituted by our Board. Further, pursuant to a resolution passed by our Board on August 27, 2024 and a special resolution of our Shareholders dated September 5, 2024, each of our Independent Directors are entitled to receive remuneration of up to ₹ 7.5 million in a Fiscal Year, for a period of three years from Fiscal Year 2024-25. Accordingly, for Fiscal 2025, Kaushik Dutta was paid sitting fees of ₹ 1.70 million, Neelam Dhawan was paid sitting fees of ₹ 1.20 million and Sanjay Nayak was paid sitting fees of ₹ 0.90 million.

Remuneration paid to our Directors by our Subsidiary

As on date of this Red Herring Prospectus, our Company does not have a subsidiary.

Bonus or profit-sharing plan for our Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Contingent and deferred compensation payable to our Directors

There is no contingent or deferred compensation payable to our Directors, which does not form part of their remuneration.

Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. Except for our Executive Directors/ Individual Promoters, i.e., Tarun Sanjay Mehta, who directly holds 20,517,732 Equity Shares aggregating to 6.81% of the pre-Offer Equity Share capital on a fully-diluted basis, and Swapnil Babanlal Jain, who directly holds 20,517,732 Equity Shares aggregating to 6.81% of the pre-Offer Equity Share capital on a fully-diluted basis, respectively, none of our Directors hold Equity Shares in our Company, as on date of this Red Herring Prospectus. In this regard, see “*Capital Structure - History of the share capital held by the Promoters - Shareholding of our Promoters and member of our Promoter Group*” on page 153.

Interest of Directors

Our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them.

Our Directors may also be interested to the extent of Equity Shares and to the extent of any dividend, bonuses, employee stock options or other distribution payable to them, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

For further details regarding the shareholding of our Directors, see “*Capital Structure – Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company*” on page 159.

Further, our Directors may also be directors on the board, or are shareholders, kartas, trustees, proprietors, members or partners, of entities with which our Company has had transactions and may be deemed to be interested to the extent of the payments made by our Company, or services provided by our Company, if any, to these entities.

Interest in land and property

None of our Directors have any interest in any property acquired in the preceding three years or proposed to be acquired from our Company or by our Company.

Interest in promotion of our Company

Except for Tarun Sanjay Mehta and Swapnil Babanlal Jain, who are the Individual Promoters and Executive Directors of our Company, none of our Directors have any interest in the promotion or formation of our Company, as on the date of this Red Herring Prospectus.

Loans to Directors

As on the date of this Red Herring Prospectus, no loans have been availed by our Directors from our Company.

Confirmations

None of our Directors is or has been a director on the board of any listed company whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure, in the five years preceding the date of this Red Herring Prospectus.

None of our Directors have been or are directors on the board of any listed companies which is or has been delisted from any stock exchange(s) during his/her tenure.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Red Herring Prospectus are set forth below.

| Name of Director | Date of Change | Reasons |
|-----------------------|----------------------------|--|
| Nilesh Shrivastava | July 22, 2022 | Appointed as an additional Director ¹ |
| Pankaj Sood | November 11, 2022 | Appointed as an additional Director |
| Reeta Nathwani | November 30, 2022 | Resigned as Non-executive Director |
| Ram Kuppaswamy | January 27, 2023 | Appointed as Non-executive Director ² |
| Tarun Sanjay Mehta | July 28, 2023 ⁴ | Re-appointed as the Executive Director and Chief Executive Officer |
| Swapnil Babanlal Jain | July 28, 2023 ⁴ | Re-appointed as the Executive Director and Chief Technical Officer |
| Nilesh Shrivastava | July 28, 2023 | Re-designated as Nominee Director |
| Pankaj Sood | August 24, 2023 | Re-designated as Nominee Director |
| Kaushik Dutta | May 6, 2024 | Appointed as Independent Director ³ |
| Neelam Dhawan | August 27, 2024 | Appointed as Independent Director ⁵ |
| Sanjay Nayak | August 27, 2024 | Appointed as Independent Director ⁵ |

¹Regularised by way of shareholders' resolution dated September 26, 2022

²Regularized by way of shareholders' resolution dated August 24, 2023

³Regularized by way of shareholders' resolution dated May 28, 2024

⁴The term of re-appointment is with effect from May 30, 2024

⁵Regularized by way of shareholders' resolution dated September 5, 2024

Borrowing Powers

In accordance with our Articles of Association and the applicable provisions of the Companies Act, 2013, and pursuant to the resolution passed by our Board on August 27, 2024 and by our Shareholders on September 5, 2024 and subject to the applicable laws, our Board has been authorised to borrow funds, exceeding the paid-up capital, free reserves and securities premium of our Company up to ₹ 50,000 million.

Corporate Governance

As on the date of this Red Herring Prospectus, there are nine Directors on our Board comprising two Executive Directors and three Independent Directors, including one women Independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act in relation to the composition of our Board and constitution of committees thereof.

Board committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, and the Companies Act:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee; and
- (d) Risk Management Committee.

Audit Committee

The Audit Committee was constituted by a resolution passed by our Board dated August 27, 2024. The Audit Committee is in compliance with Section 177 and other applicable provisions of the Companies Act and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently comprises of:

| S. No. | Name of Director | Designation | Committee Designation |
|--------|----------------------|------------------------|-----------------------|
| 1. | Kaushik Dutta | Independent Director | Chairperson |
| 2. | Neelam Dhawan | Independent Director | Member |
| 3. | Niranjan Kumar Gupta | Non-executive Director | Member |

Terms of Reference:

The Audit Committee shall be responsible for, among other things, as may be required by the stock exchange(s) from time to time, the following:

Role of Audit Committee

The role of the Audit Committee shall include the following:

- (1) oversight of the financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
- (2) recommendation to the Board of directors of the Company for appointment, re-appointment, removal, remuneration and other terms of appointment of statutory auditors, internal auditors and secretarial auditors of the Company;
- (3) approval of payment for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report.
- (5) reviewing, with the management, the quarterly, financial statements before submission to the Board for approval;
- (6) 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 utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
- (7) reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company;
 - i. Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;
 - ii. Make omnibus approval for related party transactions proposed to be entered into by the Company for every financial year as per the criteria approved;
 - iii. Review of transactions pursuant to omnibus approval;
 - iv. Make recommendation to the Board, where Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013.
 - v. Related party transaction to which the subsidiary of the Company is a party, but the Company is not a party as per limits mentioned in the related party transaction policy of the Company.

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the Company, wherever necessary;

- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory auditors and internal auditors, and adequacy of the internal control systems;
- (13) 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;
- (14) discussion with internal auditors of any significant findings and follow-up thereon;
- (15) 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;
- (16) 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;
- (17) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) reviewing the functioning of the whistle blower mechanism;
- (19) monitoring the end use of funds raised through public offers and related matters;
- (20) overseeing the vigil mechanism established by the Company, with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- (21) approval of appointment of chief financial officer (i.e., any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (22) reviewing the utilization of loans and/or advances from/investment by the Company in its subsidiary(/ies) exceeding ₹1,000,000,000 or 10% of the asset size of the subsidiary(/ies), whichever is lower including existing loans/ advances/ investments;
- (23) review the financial statements, in particular, the investments made by any unlisted subsidiary;
- (24) considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- (25) approving the key performance indicators (“KPIs”) for disclosure in the offer documents, and approval of KPIs once every year, or as may be required under applicable law; and
- (26) carrying out any other functions as may be decided by the Board and/or as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.
- (27) mandatorily review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - c. Internal audit reports relating to internal control weaknesses;
 - d. The appointment, removal and terms of remuneration of the chief internal auditor; and
 - e. Statement of deviations in terms of the SEBI Listing Regulations:
 - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations;
 - annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of the SEBI Listing Regulations;
 - such information as may be prescribed under the Companies Act and the SEBI Listing Regulations.

(28) To recommend to the Board, code of insider trading of the Company and to supervise implementation of the insider trading code including following:

- a. To monitor, review, assess the policies and procedures relating to the proper functioning of the system for prevention of insider trading.
- b. To note the status reports detailing the dealings by designated persons in securities of the Company.
- c. To provide directions on any penal action to be initiated, in case of any violation of the SEBI insider trading regulations by any person.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a resolution passed by our Board dated August 27, 2024. The composition and terms of reference of the Nomination and Remuneration Committee are in compliance with Section 178 and other applicable provisions of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently comprises of:

| S. No. | Name of Director | Designation | Committee Designation |
|--------|------------------|----------------------|-----------------------|
| 1. | Sanjay Nayak | Independent Director | Chairperson |
| 2. | Neelam Dhawan | Independent Director | Member |
| 3. | Pankaj Sood | Nominee Director | Member |

Terms of Reference

The Nomination and Remuneration Committee shall be responsible for, among other things, the following:

- (1) formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**");
- (2) for every appointment of an independent director, 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 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.
- (3) formulation of criteria for evaluation of performance of independent directors and the Board;
- (4) devising a policy on Board diversity;
- (5) 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 their appointment and removal and carrying out evaluation of every director's performance (including independent director);
- (6) extending or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (7) recommend to the board, all remuneration, in whatever form, payable to senior management
- (8) analyzing, monitoring and reviewing various human resource and compensation matters;
- (9) determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (10) the Committee, while formulating the Remuneration Policy, shall ensure that:

- (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (11) perform such functions as are required to be performed under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, including the following:
- (a) administering any existing and proposed employee stock option schemes formulated by the Company from time to time (the “**Plan**”);
 - (b) determining the eligibility of employees to participate under the Plan;
 - (c) granting options to eligible employees and determining the date of grant;
 - (d) determining the number of options to be granted to an employee;
 - (e) determining the exercise price under the Plan; and
 - (f) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.
- (12) carrying out any other activities as may be delegated by the Board or as may be required under the Companies Act, the SEBI Listing Regulations or any other applicable law, as may be amended from time to time.

Stakeholders’ Relationship Committee

The Stakeholders’ Relationship Committee was constituted by a resolution of our Board dated August 27, 2024. The composition and terms of reference of Stakeholders’ Relationship Committee are in compliance with Section 178 and any other applicable law of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders’ Relationship Committee currently comprises of:

| S. No. | Name of Director | Designation | Committee Designation |
|--------|--------------------|--|-----------------------|
| 1. | Neelam Dhawan | Independent Director | Chairperson |
| 2. | Sanjay Nayak | Independent Director | Member |
| 3. | Tarun Sanjay Mehta | Executive Director and Chief Executive Officer | Member |

Terms of Reference

The Stakeholders’ Relationship Committee shall be responsible for, among other things, as may be required under applicable law, the following:

- (1) considering and looking into various aspects of interest of shareholders, debenture holders and other security holders;
- (2) resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- (3) giving effect to allotment of equity shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- (4) issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- (5) review of measures taken for effective exercise of voting rights by shareholders;

- (6) review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- (7) review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- (8) carrying out any other functions required to be carried out by the Committee under the Companies Act, or the SEBI Listing Regulations or any other applicable law, as amended from time to time.

Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board August 27, 2024. The scope and functions of the Risk Management Committee are in compliance with the Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee currently comprises of:

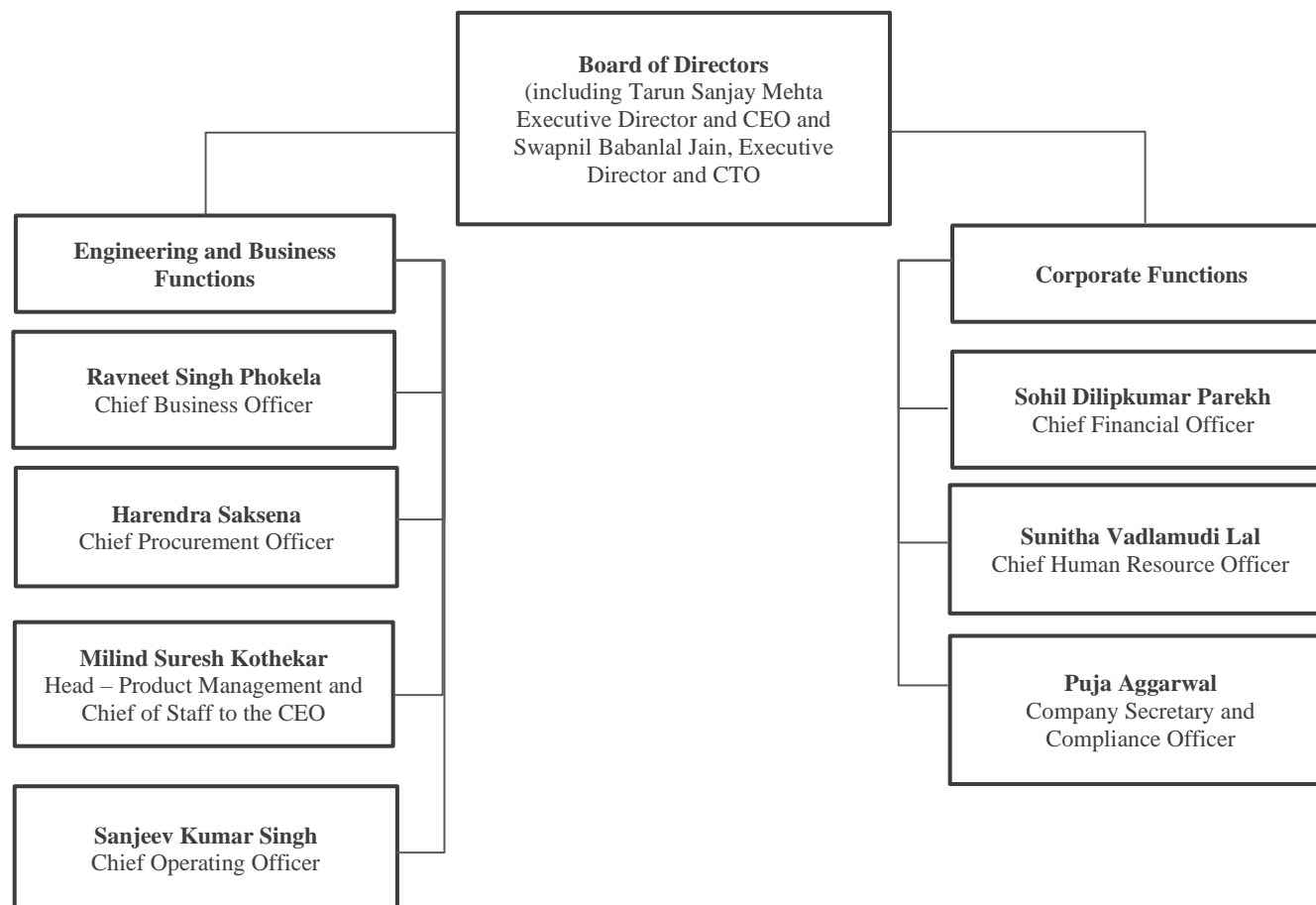
| S. No. | Name of Director | Designation | Committee Designation |
|--------|-----------------------|--|-----------------------|
| 1. | Kaushik Dutta | Independent Director | Chairperson |
| 2. | Swapnil Babanlal Jain | Executive Director and Chief Technical Officer | Member |
| 3. | Nilesh Shrivastava | Nominee Director | Member |
| 4. | Ram Kuppaswamy | Non-executive Director | Member |

Terms of Reference

The role and responsibility of the Risk Management Committee shall be as follows:

- (1) review, assess and formulate the risk management system and policy of the Company from time to time and recommend for an amendment or modification thereof, which shall include:
 - (a) a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
 - (b) measures for risk mitigation including systems and processes for internal control of identified risks; and
 - (c) business continuity plan;
- (2) ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, and recommend for any amendment or modification thereof, as necessary;
- (5) keep the Board of the Company informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- (7) to implement and monitor policies and/or processes for ensuring cyber security;
- (8) to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and
- (9) any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as amended from time to time, including the SEBI Listing Regulations, as amended.

Management Organisation Structure



Key Managerial Personnel and Senior Management

Key Managerial Personnel

In addition to Tarun Sanjay Mehta and Swapnil Babanlal Jain, our Executive Directors, whose details are provided in ‘- **Brief Profiles of our Directors**’ above, the details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are set forth below.

Sohil Dilipkumar Parekh is the Chief Financial Officer of our Company, overseeing financial strategy, reporting, operations, fundraising, and tax matters. A member of the Institute of Chartered Accountants of India, Sohil holds a bachelor’s degree in commerce and a bachelor’s degree in law, each from Gujarat University. Prior to joining our Company on September 9, 2022, Sohil had been associated with Claris Limited, as well as had past work experience across various other sectors, including waste-to-energy, pharmaceuticals, market research, business process outsourcing, IT and ITES. In addition to his professional achievements, Sohil is an ultra-endurance athlete and has represented India in several Full Distance Ironman Triathlons, as well as participated in long-distance cycling and running events. For Fiscal 2025, he was paid aggregate compensation of ₹14.73 million (which includes annual variable for Fiscal 2025 payable in Fiscal 2026).

Puja Aggarwal is the Company Secretary and Compliance Officer of our Company and is responsible for ensuring managerial, secretarial and regulatory compliances of our Company. She has been associated with our Company since April 17, 2023. She is an associate member of The Institute of Company Secretaries of India and an associate member of the Institute of Chartered Accountants of India. She holds a bachelor’s degree in business management from Bangalore University. Prior to joining our Company, she was associated with Aster DM Healthcare Limited, Stelis Biopharma Limited and Narayana Hrudayalaya Limited. For Fiscal 2025, she was paid an aggregate compensation of ₹ 5.71 million (which includes annual variable for Fiscal 2025 payable in Fiscal 2026).

Senior Management

Harendra Saxena is the Chief Procurement Officer of our Company and is responsible for maintaining relationships with suppliers and overall management and supervision of our Company’s procurement requirements. He has been associated with our Company since July 4, 2022. He holds a bachelor’s degree in mechanical engineering from Jamia Millia Islamia and a master’s degree in engineering management from University of Technology, Sydney. He has also obtained certification in supply chain management (strategies and innovation) from Stanford University Graduate School of Business. Prior to joining our Company, he was associated with Johnson Electric International Limited, Siemens VDO Automotive Limited, Motherson Auto Limited and Daewoo Motors India Limited. In Fiscal 2025, he was paid an aggregate compensation of ₹ 22.60 million (which includes annual variable for Fiscal 2025 payable in Fiscal 2026).

Sanjeev Kumar Singh is the Chief Operating Officer of our Company and is responsible for manufacturing operations across our factories, program management and planning. He has been associated with our Company since July 11, 2022. He holds a bachelor’s degree in technology in mechanical engineering from Indian Institute of Technology, Kharagpur. Prior to joining our Company, he was associated with GENPACT India, Bosch Limited, ACME Tele Power Limited and Tata Motors Limited. In Fiscal 2025, he was paid an aggregate compensation of ₹ 18.64 million (which includes annual variable pay for Fiscal 2025 payable in Fiscal 2026).

Ravneet Singh Phokela is the Chief Business Officer of our Company and is responsible for marketing, sales, after-sales and service, charging infrastructure, insight and analytics and customer service verticals. He has been associated with our Company since September 1, 2015. He holds a bachelor’s degree in commerce from Delhi University and a post graduate diploma in business management from Institute of Management Technology, Ghaziabad. Prior to joining our Company, he was associated with Nokia UK Limited, Flipkart India Private Limited, Lintas India Private Limited (Lowe Lintas), Loyalty Solutions & Research Private Limited (PAYBACK) and Whirlpool of India Limited. In Fiscal 2025, he was paid an aggregate compensation of ₹ 30.08 million (which includes annual variable pay for Fiscal 2025 payable in Fiscal 2026).

Sunitha Vadlamudi Lal is the Chief Human Resource Officer of our Company and is responsible for human resource functions and operations across talent acquisition and management, learning and development, compensation and benefits, internal communications and employer branding, as well as management of the Company’s administration and infrastructure. She has been associated with our Company since August 2, 2017. She holds a bachelor’s degree in science from Madurai Kamaraj University and a master’s degree in labour management from Madurai Kamaraj University. Prior to joining our Company, she was associated with

Matrimony.com Limited, Mphasis Limited and TalentPro India Private Limited. For Fiscal 2025, she was paid an aggregate compensation of ₹ 33.15 million (which includes annual variable pay for Fiscal 2025 payable in Fiscal 2026).

Milind Suresh Kothekar is the Head – Product Management and Chief of Staff to the CEO, of our Company and is responsible for product management and continuous enhancement of our existing product portfolio including our E2Ws, charging infrastructure, AtherStack, accessories, merchandise, community-building initiatives, and ownership experience enhancements. He has been associated with our Company since October 3, 2015. He holds a bachelor's degree in technology and a master's degree in technology in electrical engineering from Indian Institute of Technology, Bombay. Prior to joining our Company, he was associated with Eaton Technologies Private Limited. For Fiscal 2025, he was paid an aggregate compensation of ₹ 11.86 million (which includes annual variable pay for Fiscal 2025 payable in Fiscal 2026).

Arrangements and understanding with major shareholders, customers, suppliers or others

None of the Key Managerial Personnel or Senior Management of our Company have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Status of Key Managerial Personnel and Senior Management

All the Key Managerial Personnel and Senior Management are permanent employees of our Company.

Relationship among Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are related to each other.

Bonus or profit-sharing plan for the Key Managerial Personnel and Senior Management

Except as disclosed above under “*Terms of appointment of our Executive Directors*”, none of our Key Managerial Personnel or Senior Management are party to any bonus or profit-sharing plan of our Company.

Shareholding of Key Managerial Personnel and Senior Management in our Company

Except as disclosed in “*Capital Structure - Shareholding of our Directors, Key Managerial Personnel and Senior Management in our Company*” on page 159, none of our Key Managerial Personnel or Senior Management, hold any Equity Shares in our Company as on the date of this Red Herring Prospectus.

Service Contracts with Directors and Key Managerial Personnel and Senior Management

No officer of our Company, including our Directors, Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment or retirement.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation payable to our Key Managerial Personnel and Senior Management, which does not form part of their remuneration.

Interest of Key Managerial Personnel and Senior Management

Other than as disclosed in “*- Interest of Directors*” and “*-Payment or benefit to Key Managerial Personnel and Senior Management of our Company*” above, the Key Managerial Personnel and Senior Management of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Changes in Key Managerial Personnel or Senior Management during the last three years

Except as disclosed below, there are no other changes in our Key Managerial Personnel or Senior Management during the three years immediately preceding the date of this Red Herring Prospectus are set forth below:

| Name | Date of Change | Reasons |
|-------------------------|-------------------|--|
| Harendra Saksena | July 4, 2022 | Appointed as Executive Vice President |
| Raj Kiran BS | July 31, 2022 | Resigned as the Company Secretary |
| Nakul Upadhaya | August 1, 2022 | Appointed as the Company Secretary |
| Nakul Upadhyaa | November 10, 2022 | Resigned as the Company Secretary |
| Puja Aggarwal | April 26, 2023 | Appointed as the Company Secretary |
| Deepak Jain | March 31, 2024 | Resigned as the Chief Financial Officer |
| Sohil Dilipkumar Parekh | April 1, 2024 | Appointed as the Chief Financial Officer |
| Sanjeev Kumar Singh | April 1, 2024 | Appointed as the Chief Operating Officer |

Employee stock option and stock purchase schemes

Except as disclosed in “*Capital Structure – Employee Stock Option Schemes*” on page 162, our Company does not have any employee stock option scheme.

Payment or Benefit to Key Managerial Personnel and Senior Management of our Company

No non-salary related amount or benefit has been paid or given to any of our Company’s officers including our Directors, Key Managerial Personnel and Senior Management within the two preceding years of this Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Tarun Sanjay Mehta, Swapnil Babanlal Jain and HMCL are the Promoters of our Company. As on the date of this Red Herring Prospectus, our Promoters hold in aggregate 156,118,716 Equity Shares, which constitutes 51.80% of the issued, subscribed and paid-up share capital of our Company, on a fully diluted basis.

For details on shareholding of our Promoters in our Company, see “*Capital Structure - Build-up of Promoter’s shareholding in our Company*” on page 148. Further, for details on shareholding of the members of our Promoter Group in our Company, see “*Capital Structure - Shareholding of our Promoters and member of our Promoter Group*” on page 153.

Details of our Individual Promoters

Tarun Sanjay Mehta



Tarun Sanjay Mehta, born on October 31, 1989, aged 35 years, is our Promoter and Executive Director and Chief Executive Officer. He is residing at Flat A 603, Mantri Sarovar, Opposite Agara Lake, HSR Layout, Bengaluru, Karnataka, 560 102. For the complete profile of Tarun Sanjay Mehta, along with the details of his educational qualification, experience in the business/employment, positions/posts held in past, other directorships, special achievements, his business and financial activities, see “*Our Management*” on page 334.

The permanent account number of Tarun Sanjay Mehta is AWQPM1538D.

Swapnil Babanlal Jain



Swapnil Babanlal Jain, born on June 23, 1989, aged 35 years, is our Promoter and Executive Director and Chief Technical Officer. He is residing at Huron, H-1302, SNN Raj Lakeview, Phase-2, Ranka Colony Road, Ranka Colony, Munivenkatappa Layout, Bangalore South, Bengaluru, Karnataka, 560 076. For the complete profile of Swapnil Babanlal Jain, along with the details of his educational qualification, experience in the business/employment, positions/posts held in past, other directorships, special achievements, his business and financial activities, see “*Our Management*” on page 334.

The permanent account number of Swapnil Babanlal Jain is AIFPJ8925Q.

Our Company confirms that the respective PAN, bank account numbers, Aadhaar card numbers, passport numbers and driving license numbers of our Individual Promoters was submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Details of our Corporate Promoter

Hero MotoCorp Limited (“HMCL”)

Corporate Information

HMCL was incorporated as Hero Honda Motors Limited on January 19, 1984, at New Delhi under the Companies Act, 1956. Pursuant to a special resolution passed by its shareholders on July 17, 2011, the name

was changed to Hero MotoCorp Limited, and a fresh certificate of incorporation dated July 28, 2011 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The registered office of HMCL is located at The Grand Plaza, Plot No. 2 Nelson Mandela Road, Vasant Kunj – Phase -II, New Delhi 110 070, Delhi, India.

HMCL is a listed company having its equity shares listed on BSE with effect from February 14, 1985 and NSE with effect from April 11, 2003.

Nature of Business

HMCL is engaged in the business of manufacturing two-wheeler transport equipment and selling of motorised two-wheelers, spare parts and related services.

There has been no change in business activities of our Corporate Promoter, HMCL from the date of its incorporation.

Board of Directors

The board of directors of HMCL, as on the date of this Red Herring Prospectus are as follows:

| S. No. | Name of the director | Designation |
|---------------|-----------------------------|--|
| 1. | Dr. Pawan Munjal | Executive Chairman – Non-Independent, Executive |
| 2. | Vikram Sitaram Kasbekar | Executive Director (Operations) – Non-Independent, Executive |
| 3. | Vasudha Dinodia | Director – Non-Independent, Non-Executive |
| 4. | Suman Kant Munjal | Director – Non-Independent, Non-Executive |
| 5. | Pradeep Dinodia | Director – Non-Independent, Non-Executive |
| 6. | Birender Singh Dhanoa | Director – Independent, Non-Executive |
| 7. | Camille Miki Tang | Director – Independent, Non-Executive |
| 8. | Tina Trikha | Director – Independent, Non-Executive |
| 9. | Jagmohan Singh Raju | Director – Independent, Non-Executive |
| 10. | Rajnish Kumar | Director – Independent, Non-Executive |

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Shareholding Pattern of HMCL

The shareholding pattern of HMCL as at March 31, 2025 is as provided below:

| Category (I) | Category of Shareholder (II) | Number of Shareholders (III) | Number of fully paid up Equity Shares held (IV) | Number of partly paid-up Equity Shares held (V) | Number of Equity Shares underlying Depository Receipts (VI) | Total number of Equity Shares held (VII) =(IV)+(V) + (VI) | Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2) | Number of voting rights held in each class of securities (IX) | | | | Number of Equity Shares underlying outstanding convertible securities (including warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted equity share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of locked in Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|-----------------|--|------------------------------------|--|---|---|--|--|---|--------------------------|-------------|-------------------------------------|--|--|---|---|---|--|--|
| | | | | | | | | Number of Voting Rights | | | Total as a % of (A+B+C) | | | Number (a) | As a % of total Equity Shares held (b) | Number (a) | As a % of total Equity Shares held (b) | |
| | | | | | | | | Class e.g.: Equity Shares | Class e.g.: others | | | | | | | | | |
| (A) | Promoter and promoter group | 20 | 69,488,181 | - | - | 69,488,181 | 34.74 | 69,488,181 | - | 69,488,181 | 34.74 | - | 34.74 | - | - | - | - | 69,488,181 |
| (B) | Public | 947,387 | 130,522,655 | - | - | 130,522,655 | 65.26 | 130,522,655 | - | 130,522,655 | 65.26 | - | 65.26 | - | - | - | - | 129,801,724 |
| (C) | Non-promoter – non public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Equity shares underlying depository receipts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C2) | Equity shares held by | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category of Shareholder (II) | Number of Shareholders (III) | Number of fully paid up Equity Shares held (IV) | Number of partly paid-up Equity Shares held (V) | Number of Equity Shares underlying Depository Receipts (VI) | Total number of Equity Shares held (VII) =(IV)+(V) + (VI) | Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2) | Number of voting rights held in each class of securities (IX) | | | | Number of Equity Shares underlying outstanding convertible securities (including warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted equity share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of locked in Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII) | | Number of Equity Shares held in dematerialized form (XIV) |
|-----------------|---------------------------------------|------------------------------------|--|---|---|--|---|---|------------------------------|-------------|--------|--|---|---|-----------------|---|-----------------|--|
| | | | | | | | | Number of Voting Rights | Total | Total | Total | | | Number | As a % of total | Number | As a % of total | |
| | | | | | | | | Class e.g.: Equity Shares | Class e.g.: other s | | | | | (a) | (b) | (a) | (b) | |
| employee trusts | | | | | | | | | | | | | | | | | | |
| Total | | 947,407 | 200,010,836 | - | - | 200,010,836 | 100.00 | 200,010,836 | - | 200,010,836 | 100.00 | - | 100.00 | - | - | - | - | 199,289,905 |

Source: <https://www.bseindia.com/stock-share-price/hero-motocorp-ltd/heromotoco/500182/shareholding-pattern>

Details of change in control of HMCL

There has been no change in the control of HMCL in the last three years preceding the date of this Red Herring Prospectus.

Promoters of HMCL

The promoters of HMCL are Dr. Pawan Munjal, Dr. Pawan Munjal (as the karta of the Pawan Kant & Sons HUF), Brijmohan Lal Om Parkash (Partnership Firm), Renu Munjal, Renuka Munjal, Suman Kant Munjal, Suman Kant Munjal (as the karta of Suman Kant & Son HUF), Bahadur Chand Investments Private Limited, Hero Investcorp Private Limited, Pawan Munjal Family Trust and RK Munjal & Sons Trust.

Board of Directors of the promoters of HMCL

The board of directors of Bahadur Chand Investments Private Limited, as on the date of this Red Herring Prospectus are as follows:

| S. No. | Name of the director | Designation |
|--------|----------------------|-------------------------|
| 1. | Dr. Pawan Munjal | Non- Executive director |
| 2. | Suman Kant Munjal | Non- Executive Director |
| 3. | Renu Munjal | Non-Executive Director |
| 4. | Suresh Shetty* | Independent Director |
| 5. | Navin Raheja | Independent Director |

**In the matter relating to Suprajit Engineering Limited, SEBI issued a final order dated April 27, 2021 in respect of certain violations of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, relating to Suresh Shetty. This matter was disposed as settled pursuant to a settlement order dated February 18, 2022 passed by the Securities Appellate Tribunal, Mumbai.*

The board of directors of Hero Investcorp Private Limited, as on the date of this Red Herring Prospectus are as follows:

| S. No. | Name of the director | Designation |
|--------|----------------------|-------------|
| 1. | Dr. Pawan Munjal | Director |
| 2. | Suman Kant Munjal | Director |
| 3. | Renu Munjal | Director |

Our Company confirms that the PAN, bank account number, company registration number of HMCL along with the address of the registrar of companies where HMCL is registered, was submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Certain other confirmations

As on the date of this Red Herring Prospectus, except as mentioned below, entities forming part of our Promoter Group do not have any listed debt securities on any stock exchange:

| Name of entity | Type of debt security | Face value (in ₹) | Stock exchange | Outstanding amount as on date (in ₹) | Maturity Date |
|---|---------------------------|-------------------|----------------|--------------------------------------|-------------------|
| Bahadur Chand Investments Private Limited | Non-convertible debenture | 100,000 | NSE | 5,000,000,000 | September 8, 2027 |
| | | 100,000 | NSE | 4,000,000,000 | March 1, 2028 |
| | | 100,000 | NSE | 4,000,000,000 | August 28, 2028 |
| | | 100,000 | NSE | 7,000,000,000 | March 6, 2028 |

Further, for the details of the listed debt securities of HFCL, please see “*Our Group Company – Certain other confirmations*” on page 486.

Other ventures of our Promoters

Other than as disclosed in this section under “- *Promoter Group*” and in the section “*Our Management*” on page 334, our Promoters are not involved in any other ventures.

Change in the management and control of our Company

There has been no change in the control of our Company in the last five years. Pursuant to the resolution dated August 27, 2024, our Board has identified Tarun Sanjay Mehta, Swapnil Babanlal Jain and HMCL as the Promoters of our Company.

Interests of Promoters

Except for HMCL, our Promoters are interested in our Company to the extent that they have promoted our Company and hold Equity Shares in our Company and to the extent of any dividend declared thereon. For details of the shareholding of our Promoters in our Company, see “*Capital Structure - Build-up of Promoter’s shareholding in our Company*” on page 148.

Our Individual Promoters, Tarun Sanjay Mehta and Swapnil Babanlal Jain, who are Directors, may be deemed to be interested to the extent of their remuneration/fees, service considerations, benefits and reimbursement of expenses, payable to them. For further details, see “*Our Management - Interest of Directors*” and “*Restated Financial Information*” on pages 340 and 359, respectively.

Our Promoters have no interest in any property acquired by our Company during the three years preceding the date of this Red Herring Prospectus, or proposed to be acquired, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which any of our Promoters are interested as a member, in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any our Promoters or by such firm or company in connection with the promotion or formation of our Company. Our Company has entered into a collaboration agreement with HMCL pursuant to which our Company and HMCL have agreed to collaborate on enabling interoperability of charging stations and other ancillary activities. For details, see “*History and Certain Corporate Matters - Summary of key agreements and shareholders’ agreements - Other material agreements*” on page 331.

Payments or benefits to our Promoters or members of our Promoter Group

Except in ordinary course of business and as disclosed in, “*Our Management*” and “*Restated Financial Information*” on pages 334 and 359, respectively, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or members of our Promoter Group.

Material Guarantees to third parties with respect to the Equity Shares

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Red Herring Prospectus.

Disassociation by our Promoters in the three immediately preceding years

Except as disclosed below, our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Red Herring Prospectus:

| Name of Promoter | Name of company or firm from which the Promoter has disassociated | Reasons and circumstances for disassociation | Date of disassociation |
|-------------------------|--|---|-------------------------------|
| Tarun Sanjay Mehta | Crion Technologies Private Limited | Divestment of shares | August 29, 2024 |
| Swapnil Babanlal Jain | Crion Technologies Private Limited | Divestment of shares | August 29, 2024 |

Promoter Group

Apart from our Promoters, the following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

A. Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our individual Promoter, are as follows:

| Name of Promoter | Name of relative | Relationship |
|------------------------------|---------------------------|---------------------|
| Tarun Sanjay Mehta | Sanjay Surajraj Mehta | Father |
| | Sangeeta Sanjay Mehta | Mother |
| | Swarna Srimal Mehta | Spouse |
| | Divya Mehta | Sister |
| | Aarohi Mehta | Daughter |
| | Vinod Srimal | Spouse's father |
| | Shikha Srimal | Spouse's mother |
| | Shivika Srimal | Spouse's sister |
| Swapnil Babanlal Jain | Babanlal Girdharilal Jain | Father |
| | Rajulmati Babanlal Jain | Mother |
| | Chitra C R | Spouse |
| | Renukaradhya CS | Spouse's father |
| | Sumangala HS | Spouse's mother |
| | Chirashree CR | Spouse's sister |

B. Entities forming part of the Promoter Group (in addition to Hero MotoCorp Limited)

The entities forming part of our Promoter Group in relation to Tarun Sanjay Mehta and Swapnil Babanlal Jain as Promoters are as follows:

1. Mehta Family Trust;
2. Tarun Swarna Family Trust;
3. Jain Family Trust;
4. Swapnil Jain Family Trust; and
5. Bentinck Fashions LLP

The entities forming part of our Promoter Group in relation to HMCL as Promoter are as follows:

1. Hero Tech Center Germany GmbH;
2. HMCL Netherlands B.V.;
3. HMCL Colombia S.A.S;
4. HMCL Niloy Bangladesh Limited;
5. HMC MM Auto Limited;
6. HMCL Americas Inc.;
7. Bahadur Chand Investments Private Limited;
8. Hero FinCorp Limited; and
9. HERO MOTOCORP DO BRASIL LTDA.

DIVIDEND POLICY

The dividend distribution policy of our Company was approved and adopted by our Board on August 27, 2024 (“**Dividend Policy**”). In terms of the 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 applicable laws including the Companies Act, read with the rules notified thereunder, each as amended.

Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of the Board and will depend on a number of factors, including but not limited to, internal factors such as earning stability, past dividend trends, free cashflow for the period under consideration, borrowing capacity, profitability of our Company during the period under consideration and external factors, including but not limited to the macro-economic environment, market conditions, prevailing legal requirements and regulatory conditions or restrictions laid down under the applicable laws including tax laws and industry outlook for business in which our Company operates. Additionally, we may retain all our future earnings, if any, for any proposed or ongoing or planned business expansion or for any other purposes which may be considered by the Board subject to compliance with the provisions of the Companies Act. In addition, the ability of our Company to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our funding requirements for our business activities. For details in relation to risks involved in this regard, see “**Risk Factors – We may not be able to pay dividends in the future**” and “**Financial Indebtedness**” on pages 95 and 474, respectively.

Our Company has not declared and paid any dividend on the Equity Shares and Preference Shares of our Company from January 1, 2025 until the date of this Red Herring Prospectus, and during the Financial Years ended March 31, 2024, March 31, 2023, March 31, 2022 and during the nine months ended December 31, 2024.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL INFORMATION

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To

The Board of Directors

Ather Energy Limited (formerly known as "Ather Energy Private Limited")

Dear Sirs,

1. We have examined the attached Restated Financial Information of Ather Energy Limited (formerly known as "Ather Energy Private Limited") (the "Company" or the "Issuer") which comprises of the Restated Statement of Assets and Liabilities as at December 31, 2024, December 31, 2023, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss (including other comprehensive income), Restated Statement of changes in equity and the Restated Statement of Cash Flows for the nine months ended December 31, 2024 and December 31, 2023 and for the years ended March 31 2024, March 31, 2023 and March 31, 2022, and a summary of Material Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company ("the Board") at their meeting held on February 3, 2025 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and the Prospectus (collectively, the "Offer Documents") prepared by the Company in connection with its proposed initial public offer of equity shares ("IPO") 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 (the "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 (the "Guidance Note").
2. The Company's management is responsible for the preparation of the Restated Financial Information which have been approved by the Board of Directors for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India (the "SEBI"), Registrar of Companies, Karnataka at Bengaluru ("ROC"), BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (collectively, with BSE, the "Stock Exchanges") in connection with the IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1.2 to the Restated Financial Information. The responsibility of the Company's Board of Directors includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined these Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated August 27, 2024, read with addendum to engagement letter dated January 20, 2025 in connection with the IPO;
 - b) The Guidance Note. 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 verification of evidence supporting the Restated Financial Information; 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.
4. These Restated Financial Information have been compiled by the management from
 - a) the audited Special Purpose Interim Financial Statements as at and for the nine months period ended

December 31, 2024 (along with comparative financial information as at and for the nine months ended December 31, 2023) prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”) as prescribed under Section 133 of the Act read with relevant rules thereunder, as amended, and other accounting principles generally accepted in India, (the “Special Purpose Interim Financial Statements”) which have been approved by the Board of Directors in their meeting held on February 3, 2025.

- b) the audited Ind AS Financial Statements of the Company as at and for the years ended March 31, 2024, 2023 and 2022, prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the “Audited Ind AS Financial Statements”), which have been approved by the Board of Directors at their meeting held on May 6, 2024, April 26, 2023 and May 02, 2022 respectively.

5. For the purpose of our examination, we have relied on:

- a) audit report issued by us dated February 3, 2025 on the Special Purpose Interim Financial Statements of the Company as at and for the nine months ended December 31, 2024 as referred in Paragraph 4(a) above.
- b) audit reports issued by us dated May 6, 2024, April 26, 2023 and May 02, 2022 in relation to Ind AS Financial Statements of the Company as at and for the years ended March 31, 2024, 2023 and 2022, respectively as referred in Paragraph 4 (b) above which include the following Emphasis of Matter paragraph (also refer Note 1.2 of the Restated Financial Information).

As at and for the year ended March 31, 2022

Emphasis of matter

“We draw attention to Note 1.2 to the financial statements with regard to the basis of preparation of the financial statements. As mentioned therein, the Company has incurred a net loss of Rs. 3,441 Million during the year ended March 31, 2022 and, as of that date, has accumulated loss of Rs. 9,629 Million. Further, the Company’s current liabilities exceeded its current assets by Rs. 1,017 Million. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of this matter.”

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the nine months ended December 31, 2023, and in financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months ended December 31, 2024;
- b) do not require any adjustment for modification as there is no modification in the underlying audit reports. There is an item relating to emphasis of matter (refer paragraph 5 above), which do not require any adjustment to the Restated Financial Information; and
- c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on Special Purpose Interim Financial Statements / Audited Ind AS Financial Statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the Board of Directors for the purpose for inclusion in the Offer Documents to be filed with SEBI, ROC and Stock Exchanges in connection with the 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 assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

Gurvinder Singh
Partner
(Membership No. 110128)
(UDIN: 25110128BMHZSF2637)

Place: Bengaluru
Date: February 03, 2025

| Particulars | Note No. | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|----------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| ASSETS | | | | | | |
| NON CURRENT ASSETS | | | | | | |
| Property, plant and equipment | 2(a) | 2,445 | 1,820 | 1,871 | 1,818 | 935 |
| Right of use assets | 2(b) | 2,391 | 1,642 | 1,489 | 1,844 | 646 |
| Capital work-in-progress | 2(c) | 34 | 15 | 0 | 9 | 4 |
| Intangible assets | 2(d) | 1,242 | 1,391 | 1,229 | 1,783 | 1,766 |
| Intangible assets under development | 2(e) | 835 | 521 | 706 | 365 | 923 |
| Financial assets | | | | | | |
| - Investments | 3 | - | - | - | - | 0 |
| - Other financial assets | 4 | 365 | 216 | 153 | 177 | 132 |
| Other non-current assets | 5 | 1,738 | 991 | 1,393 | 689 | 855 |
| TOTAL - NON CURRENT ASSETS | | 9,050 | 6,596 | 6,841 | 6,685 | 5,261 |
| CURRENT ASSETS | | | | | | |
| Inventories | 6 | 2,227 | 1,737 | 1,167 | 2,574 | 607 |
| Financial assets | | | | | | |
| - Investments | 3 | 2,384 | 396 | 2,922 | 2,859 | 373 |
| - Trade receivables | 7 | 103 | 13 | 16 | 12 | 10 |
| - Cash and cash equivalents | 8 | 469 | 391 | 2,279 | 826 | 574 |
| - Other balances with banks | 9 | 3,003 | 3,898 | 2,199 | 936 | 313 |
| - Loans | 10 | 1 | 1 | 2 | - | - |
| - Other financial assets | 4 | 1,473 | 3,685 | 1,170 | 3,721 | 355 |
| Current tax asset | 11 | 36 | 33 | 24 | 23 | 9 |
| Other current assets | 5 | 2,974 | 1,952 | 2,515 | 2,132 | 684 |
| TOTAL - CURRENT ASSETS | | 12,670 | 12,106 | 12,294 | 13,083 | 2,925 |
| TOTAL ASSETS | | 21,720 | 18,702 | 19,135 | 19,768 | 8,186 |
| EQUITY AND LIABILITIES | | | | | | |
| EQUITY | | | | | | |
| Equity share capital | 12 | 31 | 0 | 0 | 0 | 0 |
| Instruments entirely equity in nature | 12 | 8 | 8 | 8 | 6 | 7 |
| Other equity | 13 | 1,041 | 8,427 | 5,451 | 6,131 | 2,242 |
| TOTAL - EQUITY | | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| LIABILITIES | | | | | | |
| NON CURRENT LIABILITIES | | | | | | |
| Financial liabilities | | | | | | |
| - Borrowings | 14 | 1,602 | 780 | 309 | 1,205 | 1,087 |
| - Lease liabilities | 15 | 1,393 | 1,556 | 1,419 | 1,686 | 597 |
| - Other financial liabilities | 16 | 115 | 91 | 103 | 59 | 19 |
| Provisions | 17 | 714 | 701 | 702 | 486 | 290 |
| Other non-current liabilities | 18 | 681 | 295 | 379 | - | - |
| TOTAL - NON CURRENT LIABILITIES | | 4,505 | 3,423 | 2,912 | 3,436 | 1,993 |
| CURRENT LIABILITIES | | | | | | |
| Financial liabilities | | | | | | |
| - Borrowings | 14 | 9,614 | 2,210 | 2,840 | 3,647 | 1,897 |
| - Lease liabilities | 15 | 237 | 202 | 209 | 178 | 68 |
| - Trade payables | | | | | | |
| (A) Total outstanding dues of micro and small enterprises | 19 | 267 | 152 | 185 | 238 | 100 |
| (B) Total outstanding dues of creditors other than micro and small enterprises | 19 | 3,854 | 2,079 | 3,842 | 3,599 | 1,109 |
| - Other financial liabilities | 16 | 422 | 770 | 1,348 | 1,383 | 533 |
| Other current liabilities | 18 | 613 | 630 | 1,533 | 563 | 132 |
| Provisions | 17 | 1,128 | 801 | 807 | 587 | 105 |
| TOTAL - CURRENT LIABILITIES | | 16,135 | 6,844 | 10,764 | 10,195 | 3,944 |
| TOTAL EQUITY AND LIABILITIES | | 21,720 | 18,702 | 19,135 | 19,768 | 8,186 |

The accompanying notes 1 - 51 form an integral part of these restated financial information.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm registration no.008072S

For and on behalf of Board of Directors of
Ather Energy Limited (formerly known as Ather Energy Private Limited)

Gurvinder Singh
Partner
Membership no.110128

Tarun Sanjay Mehta
Executive Director and Chief Executive Officer
DIN: 06392463

Swapnil Babanlal Jain
Executive Director and Chief Technical Officer
DIN: 06682759

Sohil Dilipkumar Parekh
Chief Financial Officer

Puja Aggarwal
Company Secretary and Compliance Officer
Membership No.:A49310

Date: 3 February 2025
Place: Bengaluru

Date: 3 February 2025
Place: Bengaluru

| Particulars | Note No. | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|----------|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| I Revenue from operations | 20 | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| II Other income | 21 | 385 | 233 | 353 | 209 | 49 |
| III Total income (I + II) | | 16,174 | 12,537 | 17,891 | 18,018 | 4,138 |
| IV EXPENSES | | | | | | |
| Cost of materials consumed | 22 | 13,069 | 11,323 | 15,792 | 15,370 | 3,482 |
| Purchase of stock-in-trade | 23 | 612 | 221 | 279 | 923 | 201 |
| Change in inventories of finished goods, stock-in-trade and work-in-progress | 24 | (552) | (105) | 247 | (339) | 155 |
| Employee benefits expense | 25 | 3,033 | 2,151 | 3,692 | 3,348 | 1,139 |
| Finance costs | 26 | 821 | 699 | 890 | 650 | 407 |
| Depreciation and amortisation expenses | 27 | 1,258 | 1,090 | 1,467 | 1,128 | 484 |
| Other expenses | 28 | 3,712 | 3,176 | 4,375 | 5,583 | 1,711 |
| Total expenses (IV) | | 21,953 | 18,555 | 26,742 | 26,663 | 7,579 |
| V Restated loss before exceptional items and tax (III - IV) | | (5,779) | (6,018) | (8,851) | (8,645) | (3,441) |
| VI Exceptional items | 29 | - | 1,746 | 1,746 | - | - |
| VII Restated loss before tax (V - VI) | | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| VIII Tax expense | | | | | | |
| (1) Current tax | 32 | - | - | - | - | - |
| (2) Deferred tax | 32 | - | - | - | - | - |
| Total tax expense (VIII) | | - | - | - | - | - |
| IX Restated loss for the period/year (VII - VIII) | | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| X Other comprehensive income | | | | | | |
| (i) Items that will not be reclassified to profit or loss | | | | | | |
| Re-measurement of defined benefit plans | 34 | (17) | (20) | (26) | 6 | (5) |
| Income tax relating to above items | | - | - | - | - | - |
| XI Restated total comprehensive loss for the period/year (IX+X) | | (5,796) | (7,784) | (10,623) | (8,639) | (3,446) |
| XII Restated loss per equity share in INR (Face value of INR 1 each) (nine months ended earning per shares not annualised) | | | | | | |
| (1) Basic | 31 | (23) | (36) | (47) | (48) | (27) |
| (2) Diluted | 31 | (23) | (36) | (47) | (48) | (27) |

The accompanying notes 1 - 51 form an integral part of these restated financial information.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm registration no.008072S

For and on behalf of Board of Directors of
Ather Energy Limited (formerly known as Ather Energy Private Limited)

Gurvinder Singh
Partner
Membership no.110128

Tarun Sanjay Mehta
Executive Director and Chief Executive Officer
DIN: 06392463

Swapnil Babanlal Jain
Executive Director and Chief Technical Officer
DIN: 06682759

Sohil Dilipkumar Parekh
Chief Financial Officer

Puja Aggarwal
Company Secretary and Compliance Officer
Membership No.:A49310

Date: 3 February 2025
Place: Bengaluru

Date: 3 February 2025
Place: Bengaluru

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|--|--|----------------------------------|----------------------------------|----------------------------------|
| A. Cash flows from operating activities | | | | | |
| Restated loss before tax | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Adjustments for: | | | | | |
| Depreciation and amortisation expenses | 1,258 | 1,090 | 1,467 | 1,128 | 484 |
| Warranty cost | 410 | 416 | 429 | 572 | 204 |
| Assets discarded | 2 | 1 | 12 | 104 | 18 |
| Finance costs | 821 | 699 | 890 | 650 | 407 |
| Loss on fair value measurement of financial liabilities (net) | - | 210 | 224 | 568 | 137 |
| Allowance for doubtful advance and receivables | 18 | 31 | 58 | 8 | 49 |
| Provision/Liability no longer required written back | (45) | (18) | (32) | - | - |
| Sundry balances written off | - | - | 6 | - | - |
| Unrealized foreign exchange loss / (gain) (net) | 17 | 5 | 4 | (3) | 2 |
| Share based payment expense, (net) | 610 | 63 | 815 | 885 | 195 |
| Interest income | (125) | (121) | (196) | (82) | (22) |
| Profit on sale of property, plant and equipment, (net) | (0) | (1) | (3) | (3) | - |
| Gain on derecognition of Right of use assets and lease liabilities on account of termination of leases | - | - | - | (6) | (5) |
| Net gain on disposal / fair valuation of investments carried at fair value through profit & loss | (204) | (89) | (115) | (120) | (20) |
| Operating cash outflow before working capital changes | (3,017) | (5,478) | (7,038) | (4,944) | (1,992) |
| Changes in working capital: | | | | | |
| (Increase)/decrease in inventories | (1,060) | 837 | 1,407 | (1,967) | (40) |
| (Increase)/decrease in trade receivables | (87) | (1) | (4) | (2) | (10) |
| (Increase)/decrease in other financial assets | (429) | 12 | 2,512 | (3,483) | (18) |
| (Increase)/decrease in other assets | (870) | (116) | (976) | (1,383) | (752) |
| (Decrease)/increase in trade payables | 85 | (1,607) | 193 | 2,635 | 534 |
| (Decrease)/increase in other financial liabilities | (1,009) | 299 | (48) | (30) | 43 |
| (Decrease)/increase in other liabilities and provisions | (772) | 301 | 1,279 | 475 | (42) |
| Cash used in operations | (7,159) | (5,753) | (2,675) | (8,699) | (2,277) |
| Income taxes paid (net) | (12) | (10) | (1) | (14) | (7) |
| Net cash used in operating activities | (7,171) | (5,763) | (2,676) | (8,713) | (2,284) |
| B. Cash flows from investing activities | | | | | |
| Capital expenditure on property, plant and equipment and intangible assets, capital work in progress and intangible assets under development including capital advances and payable on purchase of property, plant and equipment. | (2,635) | (762) | (1,159) | (1,318) | (722) |
| Proceeds from disposal of property, plant and equipment | 0 | 3 | 3 | 20 | - |
| Investments in term deposits | (2,323) | (3,244) | (4,385) | (31,367) | (3,603) |
| Redemption of term deposits | 1,416 | 245 | 3,123 | 30,743 | 4,229 |
| Proceeds from/(Investment in) sale of mutual funds | 119 | (311) | (125) | 387 | - |
| Interest received | 321 | 201 | 262 | 185 | 30 |
| Net cash used in investing activities | (3,102) | (3,868) | (2,281) | (1,350) | (66) |
| C. Cash flows from financing activities | | | | | |
| Proceeds from issue of compulsorily convertible preference shares and equity shares (including securities premium) | 866 | 9,011 | 9,011 | 11,998 | - |
| Proceeds from issue of compulsorily convertible debentures | - | - | - | - | 1,500 |
| Principal Payment of lease liabilities | (152) | (122) | (168) | (121) | (99) |
| Proceeds from non- current borrowings (including current maturities) | 3,900 | 1,300 | 1,300 | 2,000 | 1,300 |
| Repayment of non- current borrowings (including current maturities) | (1,676) | (1,218) | (1,847) | (1,630) | (706) |
| Proceeds from / (Repayment) of current borrowings (net) | 5,846 | (1,918) | (1,194) | 1,528 | 700 |
| Finance costs | (725) | (631) | (770) | (601) | (388) |
| Net cash generated from financing activities | 8,059 | 6,422 | 6,332 | 13,174 | 2,307 |
| Net increase / (decrease) in cash and cash equivalents | (2,214) | (3,209) | 1,375 | 3,111 | (43) |
| Cash and cash equivalents at the beginning of the period/year | 2,279 | 826 | 826 | 574 | 53 |
| Liquid mutual funds | 2,781 | 2,859 | 2,859 | - | 564 |
| Cash and cash equivalents at the end of the period/year | 2,846 | 476 | 5,060 | 3,685 | 574 |
| Reconciliation of cash and cash equivalents | | | | | |
| Cash on hand | 1 | 1 | 1 | 1 | 0 |
| Balances with banks in current accounts | 468 | 390 | 2,278 | 825 | 574 |
| Liquid mutual funds | 2,377 | 85 | 2,781 | 2,859 | - |
| Total | 2,846 | 476 | 5,060 | 3,685 | 574 |

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Restated Statement of Cash Flows
CIN: U40100KA2013PLC093769

(Amount in millions of INR unless otherwise stated)

Notes:

1. The above Restated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

2. Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below:

| Particulars | As at 01 April 2024 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 December 2024 |
|---|------------------------|----------------|--------------------------------------|---|------------|------------------------------|
| Non-current borrowings (including current maturities) | 2,114 | 2,224 | 18 | - | - | 4,356 |
| Current borrowings | 1,035 | 5,846 | (29) | 8 | - | 6,860 |
| Interest accrued | 1 | (725) | 748 | - | - | 24 |
| Lease liabilities | 1,628 | (152) | - | - | 154 | 1,630 |
| Total | 4,778 | 7,193 | 737 | 8 | 154 | 12,870 |

*Others includes net addition of lease liability during the period of INR 154 million.

| Particulars | As at 01 April 2023 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 December 2023 |
|---|------------------------|----------------|--------------------------------------|---|-----------|------------------------------|
| Non-current borrowings (including current maturities) | 2,659 | 82 | (8) | - | - | 2,733 |
| Current borrowings | 2,193 | (1,918) | (22) | 4 | - | 257 |
| Interest accrued | 11 | (631) | 639 | - | - | 19 |
| Lease liabilities | 1,864 | (122) | - | - | 16 | 1,758 |
| Total | 6,727 | (2,589) | 609 | 4 | 16 | 4,767 |

*Others includes net addition of lease liability during the period of INR 16 million.

| Particulars | As at 01 April 2023 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 March 2024 |
|---|------------------------|----------------|--------------------------------------|---|-------------|------------------------|
| Non-current borrowings (including current maturities) | 2,659 | (547) | 2 | - | - | 2,114 |
| Current borrowings | 2,193 | (1,194) | 33 | 3 | - | 1,035 |
| Interest accrued | 11 | (770) | 760 | - | - | 1 |
| Lease liabilities | 1,864 | (168) | - | - | (68) | 1,628 |
| Total | 6,727 | (2,679) | 795 | 3 | (68) | 4,778 |

*Others includes net remeasurement of lease liability during the year of INR (68) million.

| Particulars | As at 01 April 2022 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 March 2023 |
|---|------------------------|----------------|--------------------------------------|---|--------------|------------------------|
| Non-current borrowings (including current maturities) | 2,297 | 370 | (8) | - | - | 2,659 |
| Current borrowings | 687 | 1,528 | (21) | (1) | - | 2,193 |
| Interest accrued | 14 | (601) | 598 | - | - | 11 |
| Lease liabilities | 665 | (121) | - | - | 1,320 | 1,864 |
| Total | 3,663 | 1,176 | 569 | (1) | 1,320 | 6,727 |

* Others includes net addition of lease liability during the year of INR 1,320 million.

| Particulars | As at 01 April 2021 | Net Cash flows | Changes in fair values / Accruals | Unrealised foreign exchange fluctuation | Others * | As at 31 March 2022 |
|---|------------------------|----------------|--------------------------------------|---|------------|------------------------|
| Non-current borrowings (including current maturities) | 1,717 | 594 | (14) | - | - | 2,297 |
| Current borrowings | - | 700 | (13) | - | - | 687 |
| Interest accrued | 13 | (388) | 389 | - | - | 14 |
| Lease liabilities | 472 | (99) | - | - | 292 | 665 |
| Total | 2,202 | 807 | 362 | - | 292 | 3,663 |

* Others includes net addition of lease liability during the year of INR 292 million.

The accompanying notes 1 - 51 form an integral part of these restated financial information.

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

Firm registration no.008072S

For and on behalf of Board of Directors of
Ather Energy Limited (formerly known as Ather Energy Private Limited)
Gurvinder Singh

Partner

Membership no.110128

Tarun Sanjay Mehta

Executive Director and Chief Executive Officer

DIN: 06392463

Swapnil Babanlal Jain

Executive Director and Chief Technical Officer

DIN: 06682759

Sohil Dilipkumar Parekh

Chief Financial Officer

Puja Aggarwal

Company Secretary and Compliance Officer

Membership No.:A49310

Date: 3 February 2025

Place: Bengaluru

Date: 3 February 2025

Place: Bengaluru

A. Equity share capital

| Particulars | Equity Shares of INR 1 each | | Equity Shares of INR 37 each | |
|---|-----------------------------|-----------|------------------------------|----------|
| | No. of Shares | Amount | No. of Shares | Amount |
| As at 01 April 2021 | 1,05,805 | 0 | 3,530 | 0 |
| Issue of equity shares during the year | 5,025 | 0 | - | - |
| As at 31 March 2022 | 1,10,830 | 0 | 3,530 | 0 |
| As at 01 April 2022 | 1,10,830 | 0 | 3,530 | 0 |
| Issue of equity shares during the year | 200 | 0 | - | - |
| As at 31 March 2023 | 1,11,030 | 0 | 3,530 | 0 |
| As at 01 April 2023 | 1,11,030 | 0 | 3,530 | 0 |
| Issue of equity shares during the period | - | - | - | - |
| As at 31 December 2023 | 1,11,030 | 0 | 3,530 | 0 |
| As at 01 April 2023 | 1,11,030 | 0 | 3,530 | 0 |
| Issue of equity shares during the year | - | - | - | - |
| As at 31 March 2024 | 1,11,030 | 0 | 3,530 | 0 |
| As at 01 April 2024 | 1,11,030 | 0 | 3,530 | 0 |
| Issue of equity shares during the period (refer note 12.1.1(i)(a)) | 9,07,236 | 1 | - | - |
| Issue of bonus shares during the period (refer note 12.1.1(i)(b)) | 2,96,58,520 | 30 | - | - |
| Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note 12.1.1(i)(b)) | 1,30,610 | 0 | (3,530) | (0) |
| As at 31 December 2024 | 3,08,07,396 | 31 | - | - |

B. Instruments entirely equity in nature - Compulsorily convertible preference shares (CCPS)

| Particulars | Compulsorily convertible preference shares of INR 1 each | | Compulsorily convertible preference shares of INR 10 each | | Compulsorily convertible preference shares of INR 37 each | |
|--|--|----------|---|----------|---|----------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| As at 01 April 2021 | 74,732 | 0 | 2,67,600 | 3 | 23,490 | 1 |
| Issue of compulsorily convertible preference shares during the year | - | - | - | - | - | - |
| As at 31 March 2022 | 74,732 | 0 | 2,67,600 | 3 | 23,490 | 1 |
| As at 01 April 2022 | 74,732 | 0 | 2,67,600 | 3 | 23,490 | 1 |
| Issue of compulsorily convertible preference shares during the year | - | - | 2,45,148 | 2 | - | - |
| As at 31 March 2023 | 74,732 | 0 | 5,12,748 | 5 | 23,490 | 1 |
| As at 01 April 2023 | 74,732 | 0 | 5,12,748 | 5 | 23,490 | 1 |
| Issue of Compulsorily convertible preference shares during the period | - | - | 2,22,479 | 2 | - | - |
| As at 31 December 2023 | 74,732 | 0 | 7,35,227 | 7 | 23,490 | 1 |
| As at 01 April 2023 | 74,732 | 0 | 5,12,748 | 5 | 23,490 | 1 |
| Issue of compulsorily convertible preference shares during the year | - | - | 2,22,479 | 2 | - | - |
| As at 31 March 2024 | 74,732 | 0 | 7,35,227 | 7 | 23,490 | 1 |
| As at 01 April 2024 | 74,732 | 0 | 7,35,227 | 7 | 23,490 | 1 |
| Issue of compulsorily convertible preference shares during the period (refer note 12.2.11 and 12.2.12) | - | - | - | - | - | - |
| As at 31 December 2024 | 74,732 | 0 | 7,35,227 | 7 | 23,490 | 1 |

C. Instruments entirely equity in nature - Compulsorily convertible debentures

| Particulars | Compulsorily convertible debentures of INR 100 each | |
|---|--|--------|
| | No. of debentures | Amount |
| As at 01 April 2021 | - | - |
| Issue of compulsorily convertible debentures during the year | 30,658 | 3 |
| As at 31 March 2022 | 30,658 | 3 |
| As at 01 April 2022 | 30,658 | 3 |
| Conversion of compulsorily convertible debentures during the year | (30,658) | (3) |
| As at 31 March 2023 | - | - |
| As at 01 April 2023 | - | - |
| Issue of Compulsorily convertible debentures during the period | - | - |
| As at 31 December 2023 | - | - |
| As at 01 April 2023 | - | - |
| Issue of compulsorily convertible debentures during the year | - | - |
| As at 31 March 2024 | - | - |
| As at 01 April 2024 | - | - |
| Issue of Compulsorily convertible debentures during the period | - | - |
| As at 31 December 2024 | - | - |

D. Other equity

| Particulars | Reserves and Surplus | | | Total |
|---|----------------------|-----------------------|---|--------------|
| | Retained earnings | Securities Premium | Stock Options Outstanding Account | |
| As at 01 April 2021 | (6,191) | 9,779 | 170 | 3,758 |
| Restated loss for the year | (3,441) | - | - | (3,441) |
| Other comprehensive loss for the year | (5) | - | - | (5) |
| Issue of compulsorily convertible debentures during the year | - | 1,497 | - | 1,497 |
| Issue of equity shares during the year | - | 246 | - | 246 |
| Charge against share based payments during the year | - | - | 187 | 187 |
| As at 31 March 2022 | (9,637) | 11,522 | 357 | 2,242 |
| As at 01 April 2022 | (9,637) | 11,522 | 357 | 2,242 |
| Restated loss for the year | (8,645) | - | - | (8,645) |
| Other comprehensive income for the year | 6 | - | - | 6 |
| Issue of compulsorily convertible preference shares during the year | - | 11,989 | - | 11,989 |
| Issue of equity shares during the year | - | 10 | - | 10 |
| Charge against share-based payments | - | - | 650 | 650 |
| Stock options settled during the year (refer note 13(b)) | - | - | (121) | (121) |
| Transfer to retained earnings on cash settlement of stock options | (97) | - | 97 | - |
| As at 31 March 2023 | (18,373) | 23,521 | 983 | 6,131 |
| As at 01 April 2023 | (18,373) | 23,521 | 983 | 6,131 |
| Restated loss for the period | (7,764) | - | - | (7,764) |
| Other Comprehensive loss for the period | (20) | - | - | (20) |
| Issue of compulsorily convertible preference shares during the period | - | 9,009 | - | 9,009 |
| Charge against share based payments during the period | - | - | 274 | 274 |
| Settlement of RTS liability by issue of equity instruments (refer note 16(i)) | - | 797 | - | 797 |
| Issue of bonus compulsorily convertible preference shares during the period (refer note 13(a) and note 16(i)) | - | (0) | - | (0) |
| As at 31 December 2023 | (26,157) | 33,327 | 1,257 | 8,427 |

| Particulars | Reserves and Surplus | | | Total |
|---|----------------------|--------------------|-----------------------------------|--------------|
| | Retained earnings | Securities Premium | Stock Options Outstanding Account | |
| As at 01 April 2023 | (18,373) | 23,521 | 983 | 6,131 |
| Restated loss for the year | (10,597) | - | - | (10,597) |
| Other Comprehensive loss for the year | (26) | - | - | (26) |
| Issue of compulsorily convertible preference shares during the year | - | 9,009 | - | 9,009 |
| Issue of bonus compulsorily convertible preference shares during the year (refer note 13(a) and note 16(i)) | - | (0) | - | (0) |
| Charge against share based payments during the year | - | - | 882 | 882 |
| Settlement of RTS liability by issue of equity instruments (refer note 16(i)) | - | 797 | - | 797 |
| Stock options cancelled during the year (refer note 25(a)) | - | - | (745) | (745) |
| Transfer to retained earnings on cancellation of stock options | (97) | - | 97 | - |
| As at 31 March 2024 | (29,093) | 33,327 | 1,217 | 5,451 |
| As at 01 April 2024 | (29,093) | 33,327 | 1,217 | 5,451 |
| Restated loss for the period | (5,779) | - | - | (5,779) |
| Other Comprehensive loss for the period | (17) | - | - | (17) |
| Issue of equity shares on settlement of stock options during the period (refer note 12.1.1(i)(a)) | - | 169 | (170) | (1) |
| Issue of bonus equity shares by utilisation of security premium during the period (refer note 12.1.1(i)(b)) | - | (30) | - | (30) |
| Charge against share based payments during the period | - | - | 616 | 616 |
| Modification of terms of employee share based payments | - | - | 43 | 43 |
| Issue of compulsorily convertible preference shares during the period (refer note 12.2.12(iii)) | - | - | 866 | 866 |
| Stock options settled/cancelled during the period | - | - | (108) | (108) |
| Transfer to retained earnings on cancellation of stock options | (60) | - | 60 | - |
| As at 31 December 2024 | (34,949) | 33,466 | 2,524 | 1,041 |

The accompanying notes 1 - 51 form an integral part of these restated financial information.

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

Firm registration no.008072S

For and on behalf of Board of Directors of

Ather Energy Limited (formerly known as Ather Energy Private Limited)

Gurvinder Singh

Partner

Membership no.110128

Tarun Sanjay Mehta

Executive Director and Chief Executive Officer

DIN: 06392463

Swapnil Babanlal Jain

Executive Director and Chief Technical Officer

DIN: 06682759

Sohil Dilipkumar Parekh

Chief Financial Officer

Puja Aggarwal

Company Secretary and Compliance Officer

Membership No.:A49310

Date: 3 February 2025

Place: Bengaluru

Date: 3 February 2025

Place: Bengaluru

Ather Energy Limited (Formerly known as Ather Energy Private Limited)
NOTES TO RESTATED FINANCIAL INFORMATION

1.1 Corporate Information

Ather Energy Limited (Formerly known as Ather Energy Private Limited) ('the Company') (CIN: U40100KA2013PLC093769) is a Public Limited Company incorporated and domiciled in India. The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 21 June 2024 and consequently the name of the Company has changed to Ather Energy Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on 27 August 2024. The Company's registered office is located at 3rd floor, Tower D, IBC knowledge park, #4/1, Bannerghatta main road, Bangalore, Karnataka, India, 560029.

The Company is in the business of manufacturing and selling of electric scooters, selling of software enabled services, spares, accessories, merchandise, charger infrastructure & usage charges and related research & development. The Company has manufacturing plant located at Hosur in Tamil Nādu.

These Restated Financial Information as at and for the nine months ended 31 December 2024 and 31 December 2023 and as at and for the year ended 31 March 2024, 31 March 2023 and 31 March 2022 have been approved by the Board of Directors and authorised for issuance on 3 February 2025.

1.2 Basis of Preparation

These Restated Financial Information comprise of the Restated Statement of Assets and Liabilities as at 31 December 2024, 31 December 2023, 31 March 2024, 31 March 2023 and 31 March 2022, the Restated Statement of Profit and Loss (including Other Comprehensive Income), Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for the nine months ended 31 December 2024 and 31 December 2023 and for the years ended 31 March 2024, 31 March 2023 and 31 March 2022 and the Summary of Material Accounting Policies and other explanatory notes (collectively, the 'Restated Financial Information').

These Restated Financial Information have been prepared by the Management for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus (collectively, the "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), Registrar of Companies, Karnataka at Bengaluru, National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and in connection with the proposed initial public offering of equity shares ("IPO").

The Restated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with 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 ("ICDR") as amended; and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) as amended ("the Guidance Note").

These Restated Financial Information have been compiled from:

- (a) the audited Special Purpose Interim Financial Statements as at and for the nine months ended 31 December 2024 and 31 December 2023 (the "Special Purpose Interim Financial Statements") which are prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as prescribed under Section 133 of the Act read with relevant rules thereunder and other accounting principles generally accepted in India, approved by the Board of Directors in their meeting held on 3 February 2025.
- (b) the audited Ind AS financial statements as at and for the years ended 31 March 2024, 31 March 2023 and 31 March 2022 (the "Ind AS Financial Statements") prepared in accordance with Indian Accounting Standard ("Ind AS") as prescribed under Section 133 of the Act read with relevant rules thereunder and other accounting principles generally accepted in India, which have been approved by the Board of Directors in their meeting held on 06 May 2024, 26 April 2023 and 02 May 2022 respectively.

The Restated Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the nine months ended 31 December 2023 and financial years ended 31 March 2024, 31 March 2023 and 31 March 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine months ended 31 December 2024; and
- b) do not require any adjustment for modification as there is no modification in the underlying audit reports.
 - i. The auditor's report dated 02 May 2022 on the Ind AS Financial Statements as at and for the year ended 31 March 2022 includes the following Emphasis of Matter paragraph:

"We draw attention to Note 1.2 to the financial statements with regard to the basis of preparation of the financial statements. As mentioned therein, the Company has incurred a net loss of INR 3,441 Million during the year ended March 31, 2022 and, as of that date, has accumulated loss of INR 9,629 million. Further, the Company's current liabilities exceeded its current assets by INR 1,017 million. However, the financial statements of the Company have been prepared on a going concern basis for the reason stated in the said Note.

Our opinion is not modified in respect of this matter.”

The above emphasis of matter does not require any adjustment to the Restated Financial Information.

These Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the board meetings for adoption of the Special Purpose Interim Financial Statements as at and for the nine months ended 31 December 2024 and 31 December 2023 and Ind AS Financial Statements as at and for the years ended 31 March 2024, 31 March 2023 and 31 March 2022.

The Restated Financial Information have been prepared on a historical cost basis, except for certain financial instruments, defined benefit liabilities and share based payment arrangements that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

These Restated Financial Information are presented in Indian Rupees (INR), which is also the Company’s functional currency and all values are rounded to the nearest million, except when otherwise indicated. The number ‘0’ in Restated Financial Information denotes amount less than INR 0.5 million.

Going Concern:

The Company has incurred a loss of INR 5,779 million for the nine months ended 31 December 2024 and has accumulated losses of INR 34,949 million as at 31 December 2024. The Company also has adverse financial ratios (refer note 41 to the Restated Financial Information) primarily due to the losses. In addition to meeting its current obligations, the Company also requires a substantial amount of funds to continue its day-to-day operations and ongoing development activities.

Notwithstanding the above, the Company’s net current assets exceed its net current liabilities by INR 2,535 million (excluding INR 6,000 million for compulsory convertible preference shares classified as current liabilities) as at 31 December 2024. Further, the Management has also prepared cash flow forecasts (as approved by the Board of Directors of the Company) for the next 12 months considering i) anticipated increase in sales due to the increase in demand for electric vehicles and ii) Implementation of cost control measures.

Based on the above, the Management of the Company is confident of meeting its current financial commitments and those expected to arise in the next 12 months. Accordingly, the Company has prepared these Restated Financial Information on a going concern basis.

1.3 Summary of Material Accounting Policies

1.3.1 Current versus non- current classification

The Company presents assets and liabilities in the restated statement of assets and liabilities based on current/ non-current classification.

An asset is classified as current when it satisfies any of the following criteria;

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company’s normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability is classified as current when it satisfies any of the following criteria;

- a) It is expected to be settled in the Company’s normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities are classified as non-current.

The Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

1.3.2 Fair Value Measurement

A number of Company’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

- c) The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Restated Financial Information on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, mention a description of the valuation processes used by the entity (including, for example, how an entity decides its valuation policies and procedures and analyses changes in fair value measurements from period to period).

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.3.3 Use of estimates and judgements

The preparation of Restated Financial Information in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Restated Financial Information is included in the following notes:

a. Intangible assets and intangible assets under development

Capitalisation of cost in intangible assets and intangible assets under development is based on management's judgement that technological and economic feasibility is confirmed and asset under development will generate economic benefits in future. Based on the impairment assessment carried out, the Company's management has determined that these assets have not suffered any impairment loss.

b. Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Provisions and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in the Restated Financial Information. Contingent loss that are considered possible are not provided for but disclosed as Contingent liabilities in the Restated Financial Information. Contingencies the likelihood of which is remote are not disclosed in the Restated Financial Information. Contingent gains are not recognized until the contingency has been resolved and amounts are received or receivable.

The Company is a party to certain tax and other disputes with government authorities. Due to the uncertainty associated with such cases, it is possible that, on conclusion of such matters at a future date, the final outcome may differ significantly.

d. Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. As at 31 December 2024, 31 December 2023, 31 March 2024, 31 March 2023 and 31 March 2022, management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous years / period.

During the year ended 31 March 2023, based on a detailed reassessment carried out by the technical team for amortisation of internally generated intangible assets, the Company has decided to use, the 'useful life' method for amortising such intangible assets as against the "unit of production" method. Useful life method better represents the usage pattern of the assets over their useful lives. Accordingly, internally generated intangible assets have been amortised on straight-line basis over their useful lives.

e. Provision for warranty

Provisions for warranty-related costs are recognized when the products are sold by the Company. Provision is estimated based on historical experience and/or technical estimates. Provisions are discounted, where necessary, to its present value based on the best estimate required to settle the obligation at each reporting date. In certain cases, the Company also has back-to-back contractual arrangement with its suppliers in the event that a vehicle fault is proven to be a supplier's fault. These are reviewed at each reporting date and adjusted to reflect the current best estimates (net of recoveries from vendors).

f. Share based payment

Employees of the Company receive remuneration in the form of Share-based Payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). In accordance with the Ind AS 102 Share-based Payment, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period / year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the restated statement of profit and loss for a period / year represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

g. Inventories

The Company estimates the net realisable value (NRV) of its inventories by taking into account their estimated selling price, estimated cost of completion, estimated costs necessary to make the sale. Management periodically reviews the inventory listing to determine if any allowance should be accounted for in the restated financial information for obsolete or slow-moving items, and to compare the carrying value of inventory items with their respective net realizable value.

1.3.4 Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price, related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the PPE and borrowing cost if capitalisation criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Machinery spares which can be used only in connection with an item of PPE and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to PPE is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced are derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful life.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the restated statement of assets and liabilities.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Property, plant and equipment not ready for the intended use, on the reporting date, are disclosed as "Capital work-in progress" and are carried at cost, comprising direct cost and attributable interest.

Depreciation and Amortisation

Depreciation is provided on a pro rata basis on straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.

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Depreciation has been provided on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets:

| Description of Assets | Useful life and Basis of Depreciation based on the Management estimates |
|---|--|
| a) Plant and Machinery – Laboratory Equipment | 5 years |
| b) Plant and Machinery – Moulds and Jigs | 8 years |
| c) Leasehold Improvements | Over the primary lease period or the life of the asset whichever is lower. |
| d) Internally built vehicles | 3 years |
| e) Electric installation | Over the primary lease period or 10 years whichever is lower |
| f) Charging Infrastructure | 3 years |

The Company, based on technical assessment made by technical expert and Management estimate, depreciates above items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right of use assets are depreciated over the primary lease period as the right to use of these assets ceases on expiry of the lease period.

Depreciation on additions is being provided on pro rata basis from the month of such additions.

Depreciation on assets sold, discarded or demolished during the period / year is being provided up to the month in which such assets are sold, discarded or demolished. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

1.3.5 Intangible Assets

Intangible assets acquired separately: Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Internally-generated intangible assets – research and development expenditure: Expenditure on research activities is recognised as an expense in the statement of profit and loss in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use / sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in restated statement of profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

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Useful lives of other intangible assets:

Other intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The management estimates the useful lives for its intangible assets as follows:

| Description of Assets | Useful life and Basis of amortisation based on the Management estimates |
|---|---|
| a) Software | 5 years |
| b) Patent& other intellectual property rights | 5 years |
| c) Website | 3 years |
| d) Product development (internally generated intangible assets) | 2 - 7 years |

1.3.6 Impairment of tangible and intangible assets

The Company assesses on annual basis whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment is made on annual basis as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the restated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.3.7 Inventories

Raw materials, components and stores & spare parts are valued at lower of cost determined on weighted average basis and estimated net realisable value. Cost includes purchase price, freight, taxes and duties and is net of Goods and Services Tax to the extent credit of the tax is availed of.

Work-in-progress and finished goods are valued at lower of cost and estimated net realisable value. Cost includes all direct costs including material procurement cost and appropriate proportion of overheads to bring the goods to the present location and condition.

Due allowance is made for slow/non-moving / obsolete items. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.3.8 Revenue from contract with customers and Other Income

Revenue from contract with customers

Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the Government.

- **Sale of products**
The Company recognises revenues from sale of products measured at the amount of transaction price (net of variable consideration), when it satisfies its performance obligation at a point in time which is when products are delivered to customers, which is when control including risks and rewards and title of ownership pass to the customer, and when there is no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

The Company offers sales incentives in the form of variable marketing expense to customers, which vary depending on the timing and customer of any subsequent sale of the vehicle. This sales incentive is accounted for as a revenue reduction and is constrained to a level that is highly probable not to reverse the amount of revenue recognised when any associated uncertainty is subsequently resolved. The Company estimates the expected sales incentive by market and considers uncertainties including competitor pricing, ageing of retailer stock and local market conditions.

Revenues are recognised when collectability of the resulting receivable is reasonably assured.

- **Sale of services**
Income from sale of services and extended warranties are recognised as income over the relevant period of service or extended warranty.

When the Company sells bundled service and extended period of warranty, such services are treated as a separate performance obligation only if the service or warranty is having a different timing of performance obligation. In such cases, the transaction price allocated towards such service or extended period of warranty based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

Sales of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers. Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration on account of discounts and other incentives, if any, offered by the Company as a part of the contract with the customer. Revenue also excludes taxes or other amounts collected from customers. No element of financing is deemed present as the sale of goods / services are primarily on a "Cash and Carry" basis.

Contract balances

Trade receivables

A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment due. Refer to accounting policy on Financial instruments – initial measurement and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Warranty obligation

The Company provides warranties for general repairs of defects as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The provision for warranty is disclosed net of supplier reimbursements.

Other Income

- Interest income is recognised on the accrual basis. For all debt instruments measured at amortised cost, interest income is recognised on time proportion basis, taking into account the amount outstanding and effective interest rate.
- Dividend income is accounted for when the right to receive it is established.

1.3.9 Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the restated statement of profit and loss over the period necessary to match them with the related costs, which they are intended to compensate.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

1.3.10 Employee Benefits

I. Defined Contribution Plan

a. Provident Fund

Contributions in respect of Employees Provident Fund are made to the Regional Provident Fund. These Contributions are recognised as expense in the year in which the services are rendered. The Company has no obligation other than the contribution payable to the Regional Provident fund.

b. Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

II. Defined Benefit Plan

a. Gratuity

The Company accounts its liability for future gratuity benefits based on actuarial valuation done by an independent actuary, as at the reporting date, determined every reporting period using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. The defined benefit obligation recognised in the restated statement of assets and liabilities represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled and adjusted for unrecognised past service cost, if any. Any asset arising out of this calculation is recognised limited to the past service cost plus the present value of available refunds and reduction in future contributions.

b. Compensated Absences

Accumulated leave (earned leave) can be availed and encashed on termination of employment, subject to terms and conditions of the scheme, the liability is recognised on the basis of an independent actuarial valuation. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in restated statement of profit and loss.

III. Short Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the restated statement of assets and liabilities. Short term employee benefits include short term compensated absences which is recognized based on the eligible leave at credit on the reporting date, and the estimated cost is based on the terms of the employment contract.

1.3.11 Leases

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves– (a) the use of an identified asset, (b) the right to obtain substantially all the economic benefits from use of the identified asset, and (c) the right to direct the use of the identified asset.

As a lessee: The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Lease liabilities include the net present value of the following lease payments:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method.

Short-term leases and leases of low-value assets The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.3.12 Foreign Currency Transactions

Initial recognition

Transactions in foreign currencies entered by the Company are accounted at the exchange rates prevailing on the date of the transaction.

Measurement as at reporting date

Foreign currency monetary items of the Company outstanding at the reporting date are restated at reporting date exchange rates.

Non-monetary items carried at historical cost are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Treatment of Exchange Differences

Exchange differences arising on settlement/restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the restated statement of profit and loss.

1.3.13 Taxes on Income

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the restated statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax is the amount of tax payable on the taxable income for the reporting period and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) when paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the restated statement of assets and liabilities when it is probable that future economic benefit associated with it will flow to the Company. The carrying amount of MAT would be reviewed at each reporting date and the asset is written down to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year.

1.3.14 Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each reporting date and adjusted to reflect the current best estimates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the restated financial information.

Provisions for warranty-related costs are recognized when the products are sold. Provision is estimated based on historical experience and/or technical estimates. The estimate of such warranty-related costs is reviewed on a periodic basis.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the Company's best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

1.3.15 Borrowing Costs

Borrowing Costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the borrowing costs. Borrowing Costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date the asset is ready for its intended use is added to the cost of the assets. Capitalisation of Borrowing Costs is suspended and charged to the restated statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are expensed in the period they occur.

1.3.16 Earnings Per Share

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders the weighted average number of equity shares (including equivalent number of equity shares on conversion of compulsorily convertible preference shares) outstanding during the reporting period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.3.17 Employees Stock Option

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period / year in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period / year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the restated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

1.3.18 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

i. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer accounting policy on 'Revenue from contracts with customers'.

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a. Financial assets at amortised cost
- b. Financial assets at fair value through other comprehensive income (OCI)
- c. Financial assets at fair value through profit or loss
- d. Equity instruments measured at Fair Value Through Other Comprehensive Income

a. Financial assets at amortised cost

A financial asset is subsequently measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business where the objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After the initial measurement, such financial assets are subsequently measured at fair value at each reporting date. Fair value movement are recognised in the other comprehensive income and impairment are recognised in restated statement of profit & loss. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

c. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d. Equity instruments measured at Fair Value Through Other Comprehensive Income

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit or loss. For all other equity instruments, the Company decides to classify the same either as at Fair value through other comprehensive income or fair value through profit or loss. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at fair value through other comprehensive income, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the fair value through profit or loss category are measured at fair value with all changes recognized in the restated statement of profit and loss.

iii. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset.

iv. Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

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NOTES TO RESTATED FINANCIAL INFORMATION

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the restated statement of profit and loss. This amount is reflected under the head 'other expenses' in the restated statement of profit and loss. The presentation for various financial instruments in the restated statement of assets and liabilities is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the restated statement of assets and liabilities. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

B. Financial liabilities

i. Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivatives, financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Right to subscribe

The Shareholder Agreement includes an Anti-Dilution Price Protection clause i.e. in the event of a down round funding, existing shareholders will have the right to purchase a certain number of additional shares at nominal value to compensate them. This down-round protection has been separated from the host preference shares and has been recognized as a derivative liability per Ind AS 32, Presentation of financial instruments. This financial liability is measured at FVTPL in the restated statement of assets and liabilities per Ind AS 109, Financial Instrument.

Gains or losses on liabilities held for trading are recognised in the restated statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in restated statement of profit and loss. These gains/ losses are not subsequently transferred to restated statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the restated statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the restated statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the restated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the restated statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.3.19 Restated Statement of Cash Flows

Restated Statement of Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.3.20 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value. Any cash or bank balance held for any specific use is not considered as cash & cash equivalent.

Note No. 2 (a)

PROPERTY, PLANT AND EQUIPMENT

| Particulars | Leasehold Improvements | Plant & Machinery | Furniture and fittings | Vehicles | Office Equipment | Electronic Equipment | IT Equipment | Charging Infrastructure | Total |
|--|---------------------------|----------------------|---------------------------|-----------|---------------------|-------------------------|--------------|----------------------------|--------------|
| Gross Carrying Amount | | | | | | | | | |
| Balance as at 1 April 2021 | 249 | 781 | 30 | 2 | 53 | 20 | 81 | 11 | 1,227 |
| Additions | 30 | 229 | 9 | - | 4 | 13 | 43 | 10 | 338 |
| Disposals | (49) | - | (2) | - | (0) | (0) | - | - | (51) |
| Balance as at 31 March 2022 | 230 | 1,010 | 37 | 2 | 57 | 33 | 124 | 21 | 1,514 |
| Balance as at 1 April 2022 | 230 | 1,010 | 37 | 2 | 57 | 33 | 124 | 21 | 1,514 |
| Additions | 139 | 797 | 28 | 39 | 59 | 25 | 113 | 63 | 1,263 |
| Disposals | (32) | (228) | (7) | (1) | (11) | (3) | (7) | - | (289) |
| Balance as at 31 March 2023 | 337 | 1,579 | 58 | 40 | 105 | 55 | 230 | 84 | 2,488 |
| Balance as at 1 April 2023 | 337 | 1,579 | 58 | 40 | 105 | 55 | 230 | 84 | 2,488 |
| Additions | 14 | 187 | 4 | - | 8 | 6 | 27 | 37 | 283 |
| Disposals | - | (2) | - | (6) | - | - | (8) | (4) | (20) |
| Balance as at 31 December 2023 | 351 | 1,764 | 62 | 34 | 113 | 61 | 249 | 117 | 2,751 |
| Balance as at 1 April 2023 | 337 | 1,579 | 58 | 40 | 105 | 55.00 | 230 | 84 | 2,488 |
| Additions | 30 | 281 | 6 | 6 | 11 | 13 | 33 | 58 | 438 |
| Disposals | - | (18) | (1) | (1) | (3) | (2) | (14) | (8) | (47) |
| Balance as at 31 March 2024 | 367 | 1,842 | 63 | 45 | 113 | 66 | 249 | 134 | 2,879 |
| Balance as at 1 April 2024 | 367 | 1,842 | 63 | 45 | 113 | 66 | 249 | 134 | 2,879 |
| Additions | 40 | 675 | 12 | 29 | 12 | 17 | 54 | 56 | 895 |
| Disposals | - | - | (0) | - | (0) | - | (4) | (12) | (16) |
| Balance as at 30 December 2024 | 407 | 2,517 | 75 | 74 | 125 | 83 | 299 | 178 | 3,758 |
| Accumulated depreciation and impairment | | | | | | | | | |
| Balance as at 1 April 2021 | 116 | 231 | 1 | 1 | 12 | 4 | 56 | 4 | 425 |
| Depreciation expense for the year | 49 | 101 | 0 | 0 | 10 | 4 | 19 | 3 | 186 |
| Disposal | (33) | - | (1) | - | (0) | (0) | - | - | (34) |
| Balance as at 31 March 2022 | 132 | 332 | 0 | 1 | 22 | 8 | 75 | 7 | 577 |
| Balance as at 1 April 2022 | 132 | 332 | 0 | 1 | 22 | 8 | 75 | 7 | 577 |
| Depreciation expense for the year | 31 | 137 | 20 | 4 | 16 | 8 | 34 | 10 | 260 |
| Disposal | (20) | (127) | (5) | (0) | (8) | (1) | (6) | - | (167) |
| Balance as at 31 March 2023 | 143 | 342 | 15 | 5 | 30 | 15 | 103 | 17 | 670 |
| Balance as at 1 April 2023 | 143 | 342 | 15 | 5 | 30 | 15 | 103 | 17 | 670 |
| Depreciation expense for the period | 36 | 134 | 4 | 8 | 14 | 9 | 39 | 27 | 271 |
| Disposal | - | (0) | - | (0) | - | - | (7) | (3) | (10) |
| Balance as at 31 December 2023 | 179 | 476 | 19 | 13 | 44 | 24 | 135 | 41 | 931 |

Note No. 2 (a)

PROPERTY, PLANT AND EQUIPMENT

| Particulars | Leasehold Improvements | Plant & Machinery | Furniture and fittings | Vehicles | Office Equipment | Electronic Equipment | IT Equipment | Charging Infrastructure | Total |
|---------------------------------------|---------------------------|----------------------|---------------------------|-----------|---------------------|-------------------------|--------------|----------------------------|--------------|
| Balance as at 1 April 2023 | 143 | 342 | 15 | 5 | 30 | 15 | 103 | 17 | 670 |
| Depreciation expense for the year | 53 | 176 | 5 | 12 | 19 | 15 | 52 | 38 | 370 |
| Disposal | - | (8) | (0) | (1) | (3) | (0) | (14) | (6) | (32) |
| Balance as at 31 March 2024 | 196 | 510 | 20 | 16 | 46 | 30 | 141 | 49 | 1,008 |
| Balance as at 1 April 2024 | 196 | 510 | 20 | 16 | 46 | 30 | 141 | 49 | 1,008 |
| Depreciation expense for the period | 41 | 160 | 5 | 14 | 16 | 6 | 44 | 34 | 320 |
| Disposal | - | - | (0) | - | (0) | - | (4) | (11) | (15) |
| Balance as at 31 December 2024 | 237 | 670 | 25 | 30 | 62 | 36 | 181 | 72 | 1,313 |
| Carrying amount (net) | | | | | | | | | |
| As at 31 March 2022 | 98 | 678 | 37 | 1 | 35 | 25 | 49 | 14 | 935 |
| As at 31 March 2023 | 194 | 1,237 | 43 | 35 | 75 | 40 | 127 | 67 | 1,818 |
| As at 31 December 2023 | 172 | 1,288 | 43 | 21 | 69 | 37 | 114 | 76 | 1,820 |
| As at 31 March 2024 | 171 | 1,332 | 43 | 29 | 67 | 37 | 108 | 85 | 1,871 |
| As at 31 December 2024 | 170 | 1,847 | 50 | 44 | 63 | 47 | 118 | 106 | 2,445 |

Notes:

1. The above assets are owned by the Company unless otherwise specified.
2. Refer note 14 for details of property, plant and equipment hypothecated as security towards borrowings.

Note No. 2 (b)

RIGHT OF USE ASSETS

| Particulars | Buildings | Leasehold Land | Total |
|--|--------------|----------------|--------------|
| Gross Carrying Amount | | | |
| Balance as at 1 April 2021 | 694 | - | 694 |
| Additions | 316 | - | 316 |
| Disposals | (225) | - | (225) |
| Balance as at 31 March 2022 | 785 | - | 785 |
| Balance as at 1 April 2022 | 785 | - | 785 |
| Additions | 1,446 | - | 1,446 |
| Disposals | (154) | - | (154) |
| Balance as at 31 March 2023 | 2,077 | - | 2,077 |
| Balance as at 1 April 2023 | 2,077 | - | 2,077 |
| Additions | 20 | - | 20 |
| Disposals | (21) | - | (21) |
| Balance as at 31 December 2023 | 2,076 | - | 2,076 |
| Balance as at 1 April 2023 | 2,077 | - | 2,077 |
| Additions | 20 | - | 20 |
| Adjustment* | (70) | - | (70) |
| Disposals | (43) | - | (43) |
| Balance as at 31 March 2024 | 1,984 | - | 1,984 |
| Balance as at 1 April 2024 | 1,984 | - | 1,984 |
| Additions | 163 | 968 | 1,131 |
| Disposals | - | - | - |
| Balance as at 31 December 2024 | 2,147 | 968 | 3,115 |
| Accumulated depreciation and impairment | | | |
| Balance as at 1 April 2021 | 251 | - | 251 |
| Depreciation expense for the year | 109 | - | 109 |
| Disposal | (221) | - | (221) |
| Balance as at 31 March 2022 | 139 | - | 139 |
| Balance as at 1 April 2022 | 139 | - | 139 |
| Depreciation expense for the year | 199 | - | 199 |
| Disposal | (105) | - | (105) |
| Balance as at 31 March 2023 | 233 | - | 233 |
| Balance as at 1 April 2023 | 233 | - | 233 |
| Depreciation expense for the period | 219 | - | 219 |
| Disposal | (18) | - | (18) |
| Balance as at 31 December 2023 | 434 | - | 434 |
| Balance as at 1 April 2023 | 233 | - | 233 |
| Depreciation expense for the year | 288 | - | 288 |
| Disposal | (26) | - | (26) |
| Balance as at 31 March 2024 | 495 | - | 495 |
| Balance as at 1 April 2024 | 495 | - | 495 |
| Depreciation expense for the period (refer note (i) below) | 225 | 4 | 229 |
| Disposal | - | - | - |
| Balance as at 31 December 2024 | 720 | 4 | 724 |
| Carrying amount (net) | | | |
| As at 31 March 2022 | 646 | - | 646 |
| As at 31 March 2023 | 1,844 | - | 1,844 |
| As at 31 December 2023 | 1,642 | - | 1,642 |
| As at 31 March 2024 | 1,489 | - | 1,489 |
| As at 31 December 2024 | 1,427 | 964 | 2,391 |

Note (i) - During the nine months ended December 31, 2024, Depreciation expenses of INR 4 million (nine months ended 31 December 2023: Nil, year ended 31 March 2024: Nil, year ended 31 March 2023: Nil, year ended 31 March 2022: Nil) is capitalised as direct cost with respect to the new factory project which is currently under CWIP.

Movement in lease liabilities:

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--|--|--------------------------|--------------------------|--------------------------|
| Balance at the beginning of the period/year | 1,628 | 1,864 | 1,864 | 665 | 472 |
| Additions during the period/year | 154 | 19 | 19 | 1,368 | 302 |
| Interest expense during the period/year | 142 | 147 | 196 | 136 | 52 |
| Lease payments during the period/year | (294) | (269) | (364) | (250) | (152) |
| Adjustment during the period/year* | - | - | (68) | - | - |
| Reversal of lease liability on termination of lease during the period/year | - | (3) | (19) | (55) | (9) |
| Balance at the end of the period/year | 1,630 | 1,758 | 1,628 | 1,864 | 665 |
| Current lease liabilities | 237 | 202 | 209 | 178 | 68 |
| Non current lease liabilities | 1,393 | 1,556 | 1,419 | 1,686 | 597 |

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|---------------------|---------------------|---------------------|
| Less than one year | 415 | 400 | 383 | 364 | 135 |
| One to five years | 1,101 | 1,287 | 1,229 | 1,564 | 543 |
| More than five years | 1,116 | 1,247 | 1,082 | 1,215 | 426 |
| Total undiscounted lease liabilities | 2,632 | 2,934 | 2,694 | 3,143 | 1,104 |

Rent and maintenance for the short term leases amounting to INR 114 million is debited to restated statement of profit and loss for the nine months ended 31 December 2024 (nine months ended 31 December 2023: INR 95 million, year ended 31 March 2024: INR 119 million, 31 March 2023 : INR 95 million, 31 March 2022: INR 45 million).

* The adjustment is on account of reassessment of lease liability in accordance with IND AS 116 due to change in the lease term.

Note No. 2 (c)

CAPITAL WORK-IN-PROGRESS

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Balance at the beginning of the period/year | 0 | 9 | 9 | 4 | 1 |
| Net movement during the period/year | 34 | 6 | (9) | 5 | 3 |
| Balance at the end of the period/year | 34 | 15 | 0 | 9 | 4 |

Capital work-in-progress (CWIP) ageing as at 31 December 2024

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-----------|-----------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 34 | - | - | - | 34 |
| Total | 34 | - | - | - | 34 |

Capital work-in-progress (CWIP) ageing as at 31 December 2023

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-----------|-----------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 15 | - | - | - | 15 |
| Total | 15 | - | - | - | 15 |

Capital work-in-progress (CWIP) ageing as at 31 March 2024

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-----------|----------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 0 | - | - | - | 0 |
| Total | 0 | - | - | - | 0 |

Capital work-in-progress (CWIP) ageing as at 31 March 2023

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-----------|----------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 9 | - | - | - | 9 |
| Total | 9 | - | - | - | 9 |

Capital work-in-progress (CWIP) ageing as at 31 March 2022

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-----------|----------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 4 | - | - | - | 4 |
| Total | 4 | - | - | - | 4 |

Note: There are no projects for which completion is overdue compared to original plan and cost is not exceeding against budgeted cost.

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to restated financial information

Note No. 2 (d)

INTANGIBLE ASSETS

(Amount in millions of INR unless otherwise stated)

| Particulars | Website | Software | Patents & Other IP Rights | Product Development (Internally generated) | Total |
|--|-----------|------------|---------------------------|--|--------------|
| Gross Carrying Amount | | | | | |
| Balance as at 1 April 2021 | 16 | 69 | 9 | 1,866 | 1,960 |
| Additions | - | 43 | - | 92 | 135 |
| Disposals | - | (0) | - | - | (0) |
| Balance as at 31 March 2022 | 16 | 112 | 9 | 1,958 | 2,095 |
| Balance as at 1 April 2022 | 16 | 112 | 9 | 1,958 | 2,095 |
| Additions | - | 22 | - | 664 | 686 |
| Disposals | - | (3) | - | - | (3) |
| Balance as at 31 March 2023 | 16 | 131 | 9 | 2,622 | 2,778 |
| Balance as at 1 April 2023 | 16 | 131 | 9 | 2,622 | 2,778 |
| Additions | - | 16 | - | 192 | 208 |
| Disposals | - | - | - | - | - |
| Balance as at 31 December 2023 | 16 | 147 | 9 | 2,814 | 2,986 |
| Balance as at 1 April 2023 | 16 | 131 | 9 | 2,622 | 2,778 |
| Additions | - | 26 | - | 229 | 255 |
| Disposals | (16) | (2) | - | - | (18) |
| Balance as at 31 March 2024 | - | 155 | 9 | 2,851 | 3,015 |
| Balance as at 1 April 2024 | - | 155 | 9 | 2,851 | 3,015 |
| Additions | - | 19 | - | 707 | 726 |
| Disposals | - | - | - | - | - |
| Balance as at 31 December 2024 | - | 174 | 9 | 3,558 | 3,741 |
| Accumulated amortisation and impairment | | | | | |
| Balance as at 1 April 2021 | 15 | 51 | 1 | 73 | 140 |
| Amortisation expense for the year | - | 10 | 1 | 178 | 189 |
| Disposals | - | - | - | - | - |
| Balance as at 31 March 2022 | 15 | 61 | 2 | 251 | 329 |
| Balance as at 1 April 2022 | 15 | 61 | 2 | 251 | 329 |
| Amortisation expense for the year | - | 13 | 4 | 652 | 669 |
| Disposals | - | (3) | - | - | (3) |
| Balance as at 31 March 2023 | 15 | 71 | 6 | 903 | 995 |
| Balance as at 1 April 2023 | 15 | 71 | 6 | 903 | 995 |
| Amortisation expense for the period | 1 | 18 | 3 | 578 | 600 |
| Disposals | - | - | - | - | - |
| Balance as at 31 December 2023 | 16 | 89 | 9 | 1,481 | 1,595 |
| Balance as at 1 April 2023 | 15 | 71 | 6 | 903 | 995 |
| Amortisation expense for the year | 1 | 23 | 3 | 782 | 809 |
| Disposals | (16) | (2) | - | - | (18) |
| Balance as at 31 March 2024 | - | 92 | 9 | 1,685 | 1,786 |
| Balance as at 1 April 2024 | - | 92 | 9 | 1,685 | 1,786 |
| Amortisation expense for the period | - | 16 | - | 697 | 713 |
| Disposal | - | - | - | - | - |
| Balance as at 31 December 2024 | - | 108 | 9 | 2,382 | 2,499 |
| Carrying amount (net) | | | | | |
| As at 31 March 2022 | 1 | 51 | 7 | 1,707 | 1,766 |
| As at 31 March 2023 | 1 | 60 | 3 | 1,719 | 1,783 |
| As at 31 December 2023 | - | 58 | - | 1,333 | 1,391 |
| As at 31 March 2024 | - | 63 | - | 1,166 | 1,229 |
| As at 31 December 2024 | - | 66 | - | 1,176 | 1,242 |

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to restated financial information

Note No. 2 (e)

INTANGIBLE ASSETS UNDER DEVELOPMENT

(Amount in millions of INR unless otherwise stated)

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Balance at the beginning of the period/year | 706 | 365 | 365 | 923 | 471 |
| Net movement during the period/year | 129 | 156 | 341 | (558) | 452 |
| Balance at the end of the period/year | 835 | 521 | 706 | 365 | 923 |

Intangible assets under development ageing as at 31 December 2024

| Intangible Assets Under Development | Amount in Intangible Assets Under Development for a period of | | | | Total |
|-------------------------------------|---|-----------|-----------|-----------|------------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 731 | 34 | - | 70 | 835 |
| Total | 731 | 34 | - | 70 | 835 |

Intangible assets under development ageing as at 31 December 2023

| Intangible Assets Under Development | Amount in Intangible Assets Under Development for a period of | | | | Total |
|-------------------------------------|---|-----------|-----------|------------|------------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 309 | - | - | 212 | 521 |
| Total | 309 | - | - | 212 | 521 |

Intangible assets under development ageing as at 31 March 2024

| Intangible Assets Under Development | Amount in Intangible Assets Under Development for a period of | | | | Total |
|-------------------------------------|---|-----------|-----------|------------|------------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 484 | 11 | - | 211 | 706 |
| Total | 484 | 11 | - | 211 | 706 |

Intangible assets under development ageing as at 31 March 2023

| Intangible Assets Under Development | Amount in Intangible Assets Under Development for a period of | | | | Total |
|---|---|-----------|-----------|------------|------------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 68 | 62 | - | - | 130 |
| Projects temporarily suspended (refer note 1 below) | - | - | - | 235 | 235 |
| Total | 68 | 62 | - | 235 | 365 |

Intangible assets under development ageing as at 31 March 2022

| Intangible Assets Under Development | Amount in Intangible Assets Under Development for a period of | | | | Total |
|---|---|------------|------------|-----------|------------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 452 | 236 | - | - | 688 |
| Projects temporarily suspended (refer note 1 below) | - | - | 181 | 54 | 235 |
| Total | 452 | 236 | 181 | 54 | 923 |

Intangible Assets Under Development Completion as at 31 March 2023

| Intangible Assets Under Development | To be completed in | | | | Total |
|---|--------------------|-----------|-----------|-----------|------------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects temporarily suspended (refer note 1 below) | 235 | - | - | - | 235 |
| Total | 235 | - | - | - | 235 |

Intangible Assets Under Development Completion as at 31 March 2022

| Intangible Assets Under Development | To be completed in | | | | Total |
|---|--------------------|-----------|-----------|-----------|------------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects temporarily suspended (refer note 1 below) | 235 | - | - | - | 235 |
| Total | 235 | - | - | - | 235 |

Note 1: A project which was put on hold during earlier periods so that the project resources could focus on reducing the material cost of existing models and to achieve scale in operations. The said project has been re-initiated during the year ended 31 March 2024.

Note 2: There are no projects for which completion is overdue compared to original plan and cost is not exceeding against budgeted cost.

(Amount in millions of INR unless otherwise stated)

Note - 3 INVESTMENTS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March |
|--|---------------------------|---------------------------|------------------------|------------------------|-------------------|
| Non-Current | | | | | |
| Investments in equity instruments (unquoted, carried at fair value through profit or loss) | | | | | |
| Investments in equity shares of M/S Autovert Technologies Private Limited | - | - | - | - | 0 |
| Nil (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:Nil, 31 March 2022:570) shares of INR 10 each | | | | | |
| Total | - | - | - | - | 0 |
| Current | | | | | |
| Investments carried at fair value through profit or loss | | | | | |
| Investments in quoted mutual funds (refer note 1 below) | | | | | |
| Aditya Birla Sun Life Money Manager Fund - Regular Plan | 345 | 320 | 327 | 304 | - |
| 970,544.219 units (31 December 2023:970,544.219, 31 March 2024:970,544.219, 31 March 2023:970,544.219 31 March 2022:Nil) | | | | | |
| Aditya Birla Sun Life Liquid Fund - Direct Plan | - | - | 606 | - | - |
| Nil units (31 December 2023:Nil, 31 March 2024:155,4087.826, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| Aditya Birla Sun Life Liquid Fund - Regular Plan | 211 | - | 200 | - | - |
| 519,954.237 units (31 December 2023:Nil, 31 March 2024:519,954.237, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| Aditya Birla Sun Life Money Manager Fund - Direct Plan | 412 | - | - | - | - |
| 1,144,295.009 units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| HDFC Ultra Short Term Fund - Direct Plan | - | 14 | 14 | - | - |
| Nil units (31 December 2023:973,452.080, 31 March 2024:973,452.080, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| DSP Savings Fund - Regular Plan | 66 | 62 | 63 | - | - |
| 1,304,399.007 units (31 December 2023:1,304,399.007, 31 March 2024:1,304,399.007, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| Nippon India Liquid Fund - Regular Plan | - | - | 150 | - | - |
| Nil units (31 December 2023:Nil, 31 March 2024:25,736.672, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| Nippon India Money Market - Direct Plan | 512 | - | - | - | - |
| 126,746.156 units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| Bandhan Liquid Fund - Regular Plan | 212 | - | 201 | - | 92 |
| 69,289.195 units (31 December 2023:Nil, 31 March 2024:62,289.195 31 March 2023:Nil, 31 March 2022:36,014.86) | | | | | |
| Bandhan Liquid Fund - Direct Plan | - | - | 402 | - | - |
| Nil units (31 December 2023:Nil, 31 March 2024:137,666.019, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| Bandhan Overnight Fund - Direct Plan | - | - | 52 | - | - |
| Nil units (31 December 2023:Nil, 31 March 2024:40,809.624, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| Tata Liquid Fund - Direct Plan | - | - | 403 | - | - |
| Nil units (31 December 2023:Nil, 31 March 2024:105,883.701, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| LIC MF Liquid Fund - Direct Plan | - | - | 152 | - | - |
| Nil units (31 December 2023:Nil, 31 March 2024:34,769.734, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| Nippon India Liquid Fund - Direct Plan | 159 | - | 352 | 527 | - |
| 25,736.672 units (31 December 2023:Nil, 31 March 2024:59,471.443, 31 March 2023:95,582.013, 31 March 2022:Nil) | | | | | |
| ICICI Prudential Liquid Fund - Direct Plan | - | - | - | 396 | 90 |
| Nil units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:1,187,911.953, 31 March 2022:286,966.000) | | | | | |
| Axis Liquid Fund - Regular Plan | - | - | - | 105 | 191 |
| Nil units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:42,415.735, 31 March 2022:81,101.423) | | | | | |
| Axis Liquid Fund - Direct Plan | - | - | - | 527 | - |
| Nil units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:210,465.624, 31 March 2022:Nil) | | | | | |
| ICICI Prudential Overnight Fund - Direct Plan | - | - | - | 200 | - |
| Nil units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:165,763.762, 31 March 2022:Nil) | | | | | |
| SBI Liquid Fund - Direct Plan | - | - | - | 300 | - |
| Nil units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:85,258.069, 31 March 2022:Nil) | | | | | |
| Kotak Liquid - Regular Plan | - | - | - | 200 | - |
| Nil units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:44,300.532, 31 March 2022:Nil) | | | | | |
| HDFC Liquid Fund - Direct Plan | - | - | - | 300 | - |
| Nil units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:67,866.363, 31 March 2022:Nil) | | | | | |
| ICICI Prudential Money Market - Direct Plan | 467 | - | - | - | - |
| 1,264,811.087 units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:Nil, 31 March 2022:Nil) | | | | | |
| | 2,384 | 396 | 2,922 | 2,859 | 373 |
| Investments in Commercial Paper of IL&FS Financial Services Limited | 196 | 196 | 196 | 196 | 196 |
| Less: Allowance for diminution in value of investments (refer note 2 below) | (196) | (196) | (196) | (196) | (196) |
| | - | - | - | - | - |
| Total | 2,384 | 396 | 2,922 | 2,859 | 373 |
| (a) Aggregate amount of quoted investments and market value there of; | 2,384 | 396 | 2,922 | 2,859 | 373 |
| (b) Aggregate amount of unquoted investments; and | 196 | 196 | 196 | 196 | 196 |
| (c) Aggregate amount of impairment in value of investments. | (196) | (196) | (196) | (196) | (196) |

Note 1: Details of lien marked investments

| Name of the security | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Aditya Birla Sun Life Money Manager Fund - Regular Plan 21,344.967 units (31 December 2023: 944,307.617, 31 March 2024:416,630.617, 31 March 2023:Nil, 31 March 2022:Nil) | 7 | 311 | 141 | - | - |
| Bandhan Liquid Fund - Regular Plan Nil units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:Nil, 31 March 2022:36,014.86) | - | - | - | - | 92 |
| ICICI Prudential Liquid Fund - Direct Plan Nil units (31 December 2023:Nil:Nil, 31 March 2024:Nil, 31 March 2023:Nil, 31 March 2022:286,966.000) | - | - | - | - | 90 |
| Axis Liquid Fund - Regular Plan Nil units (31 December 2023:Nil, 31 March 2024:Nil, 31 March 2023:Nil, 31 March 2022:81,101.423) | - | - | - | - | 191 |
| Total | 7 | 311 | 141 | - | 373 |

Note 2: The Company invested in Commercial Paper (CP) of IL&FS Financial Services Limited (ILFS) with a maturity date of October 22, 2018. ILFS has defaulted on the payment on such maturity date. The Company has created provision for doubtful investment for 100% of the cost of investments on its evaluation of recoverability. The interest income on the CP has not been recognised in the restated statement of profit and loss in the current year as well as earlier years presented.

Note - 4 OTHER FINANCIAL ASSETS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Non-current | | | | | |
| Unsecured considered good | | | | | |
| Security deposits | 148 | 123 | 129 | 121 | 77 |
| Term deposits* (with balance maturity of more than 12 months) | 103 | 38 | 0 | 1 | - |
| Deposits with lenders | 114 | 55 | 24 | 55 | 55 |
| Total | 365 | 216 | 153 | 177 | 132 |
| Current | | | | | |
| Unsecured considered good | | | | | |
| EV subsidy receivable | 1,053 | 3,068 | 845 | 3,423 | 342 |
| Interest accrued on term deposits | 2 | 1 | 2 | 1 | 5 |
| Deposits with lenders and others | 405 | 609 | 320 | 295 | - |
| Unbilled revenue | 9 | 3 | 1 | - | - |
| Other receivables | 4 | 4 | 2 | 2 | 8 |
| Total | 1,473 | 3,685 | 1,170 | 3,721 | 355 |

*Lien marked against bank guarantees and term loan from banks

Note - 5 OTHER ASSETS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Non-current | | | | | |
| Unsecured, considered good | | | | | |
| Balances with government authorities | 1,176 | 705 | 982 | 649 | 735 |
| Prepaid expenses | 470 | 203 | 263 | - | - |
| Capital advances | 92 | 83 | 148 | 40 | 120 |
| | 1,738 | 991 | 1,393 | 689 | 855 |
| Unsecured, considered doubtful | | | | | |
| Capital advances | 32 | 44 | 32 | 53 | 51 |
| Less: Allowance for doubtful advance | (32) | (44) | (32) | (53) | (51) |
| | - | - | - | - | - |
| Total | 1,738 | 991 | 1,393 | 689 | 855 |
| Current | | | | | |
| Unsecured, considered good | | | | | |
| Balances with government authorities | 2,341 | 1,775 | 2,293 | 1,615 | 373 |
| Prepaid expenses | 288 | 88 | 159 | 107 | 106 |
| Share issue expenses (refer note below) | 204 | - | - | - | - |
| Advances to employees | 4 | 2 | 2 | 9 | 1 |
| Advance to vendors | 137 | 87 | 61 | 401 | 204 |
| | 2,974 | 1,952 | 2,515 | 2,132 | 684 |
| Unsecured, considered doubtful | | | | | |
| Advance to vendors | 7 | 30 | 5 | 38 | 37 |
| Less: Allowance for doubtful advance | (7) | (30) | (5) | (38) | (37) |
| | - | - | - | - | - |
| Total | 2,974 | 1,952 | 2,515 | 2,132 | 684 |

Note: Share issue expenses will be adjusted against share premium or recovered from the selling shareholders on a pro rata basis, in proportion to the number of Equity Shares to be issued through the Fresh Issue and to be sold by each of the Selling Shareholders through the Offer for Sale.

Note - 6 INVENTORIES

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------|---------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Raw materials & components | 1,498 | 1,020 | 892 | 2,112 | 459 |
| Raw Materials in transit | 8 | 187 | 97 | 6 | 31 |
| Work-in-progress | 102 | 347 | 0 | 39 | 5 |
| Finished goods | 426 | 83 | 90 | 303 | 40 |
| Stock-in-trade | 193 | 100 | 88 | 114 | 72 |
| Total | 2,227 | 1,737 | 1,167 | 2,574 | 607 |

Note (a): Mode of valuation has been stated in note 1.3.7

Note (b): The value of inventories above is stated after net provision INR 126 million (31 December 2023: INR 75 million, 31 March 2024: INR 114 million, 31 March 2023: INR 20 million, 31 March 2022: Nil) for write down to net realisable value and provisions for slow-moving and obsolete items.

Note (c): Refer note 14 for details of inventories hypothecated as security towards borrowings.

Note - 7 TRADE RECEIVABLES

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Trade Receivables considered good - Unsecured | 103 | 13 | 16 | 12 | 10 |
| Total | 103 | 13 | 16 | 12 | 10 |

Trade receivables ageing as on 31 December 2024

| Particulars | Outstanding for the following periods from transaction date | | | | | | Total |
|--|---|--------------------|-------------------|-----------|-----------|-------------------|-------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed | | | | | | | |
| - Considered good | - | 102 | 1 | - | - | - | 103 |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Disputed | | | | | | | |
| - Considered good | - | - | - | - | - | - | - |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Total | - | 102 | 1 | - | - | - | 103 |

Trade receivables ageing as on 31 December 2023

| Particulars | Outstanding for the following periods from transaction date | | | | | | Total |
|--|---|--------------------|-------------------|-----------|-----------|-------------------|-------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed | | | | | | | |
| - Considered good | - | 13 | - | - | - | - | 13 |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Disputed | | | | | | | |
| - Considered good | - | - | - | - | - | - | - |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Total | - | 13 | - | - | - | - | 13 |

Trade receivables ageing as at 31 March 2024

| Particulars | Outstanding for the following periods from transaction date | | | | | | Total |
|--|---|--------------------|-------------------|-----------|-----------|-------------------|-------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed | | | | | | | |
| - Considered good | - | 16 | 0 | - | - | - | 16 |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Disputed | | | | | | | |
| - Considered good | - | - | - | - | - | - | - |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Total | - | 16 | 0 | - | - | - | 16 |

Trade receivables ageing as at 31 March 2023

| Particulars | Outstanding for the following periods from transaction date | | | | | | Total |
|--|---|--------------------|-------------------|-----------|-----------|-------------------|-------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed | | | | | | | |
| - Considered good | - | 12 | 0 | - | - | - | 12 |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Disputed | | | | | | | |
| - Considered good | - | - | - | - | - | - | - |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Total | - | 12 | 0 | - | - | - | 12 |

Trade receivables ageing as at 31 March 2022

| Particulars | Outstanding for the following periods from transaction date | | | | | | Total |
|--|---|--------------------|-------------------|-----------|-----------|-------------------|-------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed | | | | | | | |
| - Considered good | - | 10 | - | - | - | - | 10 |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Disputed | | | | | | | |
| - Considered good | - | - | - | - | - | - | - |
| - Which have significant increase in credit risk | - | - | - | - | - | - | - |
| - Credit impaired | - | - | - | - | - | - | - |
| Total | - | 10 | - | - | - | - | 10 |

Note - 8 CASH AND CASH EQUIVALENTS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|----------------------|---------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Cash on hand | 1 | 1 | 1 | 1 | 0 |
| Balances with banks | | | | | |
| -in current accounts | 468 | 390 | 2,278 | 825 | 574 |
| Total | 469 | 391 | 2,279 | 826 | 574 |

The balance that meet the definition of cash and cash equivalents as per Ind AS 7 Statement of Cash Flows is including liquid mutual fund of INR 2,377 million as at 31 December 2024, (31 December 2023: INR 85 million, 31 March 2024: INR 2,781 million, 31 March 2023: INR 2,859 million, 31 March 2022:Nil)

Note - 9 OTHER BALANCES WITH BANKS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Bank balances other than cash and cash equivalents | | | | | |
| -Earmarked deposits with banks* | 899 | 1,038 | 855 | 934 | 313 |
| -Term deposit accounts (with original maturity of more than 3 months but less than 12 months) | 2,104 | 2,860 | 1,344 | 2 | - |
| Total | 3,003 | 3,898 | 2,199 | 936 | 313 |

*Lien marked against bank guarantee and term loan from banks

Note - 10 LOANS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------|---------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Current | | | | | |
| Unsecured, considered good | | | | | |
| Loans to employees | 1 | 1 | 2 | - | - |
| Total | 1 | 1 | 2 | - | - |

Note - 11 CURRENT TAX ASSETS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------|---------------------------|---------------------------|------------------------|------------------------|---------------------------|
| Tax deduction at source | 36 | 33 | 24 | 23 | 9 |
| Total | 36 | 33 | 24 | 23 | 9 |

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

(Amount in millions of INR unless otherwise stated)

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|------------------------|--------------|------------------------|----------|---------------------|----------|---------------------|----------|---------------------|----------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Authorised Capital | | | | | | | | | | |
| Equity share capital | | | | | | | | | | |
| Equity Shares of INR 1 each. | 60,00,00,000 | 600 | 2,87,158 | 0 | 2,87,158 | 0 | 2,87,158 | 0 | 2,87,158 | 0 |
| Equity shares of INR 37 each | - | - | 3,530 | 0 | 3,530 | 0 | 3,530 | 0 | 3,530 | 0 |
| Preference share capital | | | | | | | | | | |
| Compulsorily Convertible Preference shares of INR 37 each | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 |
| Series A Compulsorily Convertible Preference Shares of INR 1 each | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 |
| Series B Compulsorily Convertible Preference Shares of INR 10 each | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 |
| Series B1 Compulsorily Convertible Preference Shares of INR 10 each | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 |
| Series C Compulsorily Convertible Preference Shares of INR 10 each | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 | 33,563 | 0 |
| Series C1 Compulsorily Convertible Preference Shares of INR 10 each | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 | 30,264 | 0 |
| Series D Compulsorily Convertible Preference Shares of INR 10 each | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 | 1,00,000 | 1 |
| Series E Compulsorily Convertible Preference Shares of INR 10 each | 1,93,789 | 2 | 1,93,789 | 2 | 1,93,789 | 2 | 1,93,789 | 2 | 3,50,000 | 4 |
| Series E1 Compulsorily Convertible Preference Shares of INR 10 each | 51,359 | 1 | 51,359 | 1 | 51,359 | 1 | 51,359 | 1 | - | - |
| Series E2 Compulsorily Convertible Preference Shares of INR 10 each | 2,29,120 | 2 | 2,29,120 | 2 | 2,29,120 | 2 | 1,30,252 | 1 | - | - |
| Series F Compulsorily Convertible Preference Shares of INR 1 each | 74,148 | 0 | - | - | - | - | - | - | - | - |
| Compulsorily Convertible Preference Shares of INR 10 each | 3,91,56,331 | 392 | 51,132 | 1 | 51,132 | 1 | - | - | - | - |
| TOTAL | 64,00,70,569 | 1,000 | 1,18,19,910 | 9 | 1,18,19,910 | 9 | 10,31,910 | 8 | 10,31,910 | 8 |

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|--|------------------------|-----------|------------------------|----------|---------------------|----------|---------------------|----------|---------------------|----------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Issued, Subscribed and Paid up Share Capital | | | | | | | | | | |
| Equity Share Capital (refer note 12.1 below) | | | | | | | | | | |
| Equity Shares of INR 1 each. | 3,08,07,396 | 31 | 1,11,030 | 0 | 1,11,030 | 0 | 1,11,030 | 0 | 1,10,830 | 0 |
| Equity shares of INR 37 each | - | - | 3,530 | 0 | 3,530 | 0 | 3,530 | 0 | 3,530 | 0 |
| Preference Share Capital (instrument entirely equity in nature) (refer note 12.2 below) | | | | | | | | | | |
| Compulsorily Convertible Preference shares of INR 37 each | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 |
| Series A Compulsorily Convertible Preference Shares of INR 1 each | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 |
| Series B Compulsorily Convertible Preference Shares of INR 10 each | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 |
| Series B1 Compulsorily Convertible Preference Shares of INR 10 each | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 |
| Series C Compulsorily Convertible Preference Shares of INR 10 each | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 |
| Series C1 Compulsorily Convertible Preference Shares of INR 10 each | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 |
| Series D Compulsorily Convertible Preference Shares of INR 10 each | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 |
| Series E Compulsorily Convertible Preference Shares of INR 10 each | 1,93,789 | 2 | 1,93,789 | 2 | 1,93,789 | 2 | 1,93,789 | 2 | - | - |
| Series E1 Compulsorily Convertible Preference Shares of INR 10 each | 51,359 | 1 | 51,359 | 1 | 51,359 | 1 | 51,359 | 1 | - | - |
| Series E2 Compulsorily Convertible Preference Shares of INR 10 each | 2,04,391 | 2 | 2,04,391 | 2 | 2,04,391 | 2 | - | - | - | - |
| Compulsorily Convertible Preference Shares of INR 10 each | 18,088 | 0 | 18,088 | 0 | 18,088 | 0 | - | - | - | - |
| TOTAL | 3,16,40,845 | 39 | 9,48,009 | 8 | 9,48,009 | 8 | 7,25,530 | 6 | 4,80,182 | 4 |

Note: During the nine months ended 31 December 2024, the Company has issued 74,148 number of Series F Compulsorily convertible preference shares of INR 1 each and 1,65,28,925 number of Series G Compulsorily convertible preference shares of INR 10 each (refer note 12.2.11 and 12.2.12).

12.1. Equity share capital

12.1.1 Equity Shares of INR 1 each Fully paid up. (refer note below)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|------------------------|-----------|------------------------|----------|---------------------|----------|---------------------|----------|---------------------|----------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 1,11,030 | 0 | 1,11,030 | 0 | 1,11,030 | 0 | 1,10,830 | 0 | 1,05,805 | 0 |
| Add: Issued of equity shares during the period/year (refer note (a) below) | 9,07,236 | 1 | - | - | - | - | 200 | 0 | 5,025 | 0 |
| Add: Issue of bonus shares during the period/year (refer note (b) below) | 2,96,58,520 | 30 | - | - | - | - | - | - | - | - |
| Add: Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note (b) below) | 1,30,610 | 0 | - | - | - | - | - | - | - | - |
| Closing Balance | 3,08,07,396 | 31 | 1,11,030 | 0 | 1,11,030 | 0 | 1,11,030 | 0 | 1,10,830 | 0 |

Notes:

(a) The Board of Directors of the Company vide their resolution dated 4 July 2024 approved the allotment of 907,236 Equity shares of INR 1 each (adjusted for Bonus Issuance) to Tarun Sanjay Mehta and Swapnil Babanlal Jain pursuant to exercise of stock options.

(b) The Board of Directors of our Company in its meeting held on 18 June 2024 and shareholders of our Company in the Extraordinary General Meeting held on 21 June 2024 approved the issuance of bonus equity share of INR 1 each in the ratio of 260:1 and 224:1 for the equity shares of INR 1 each and for the equity shares of INR 37 each respectively and also approved the sub-division of 3,530 equity shares of INR 37 each into 1,30,610 equity shares of INR 1 each. The conversion ratio of the Compulsory Convertible Preference Shares into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly

(c) Out of the above equity shares 5,025 Equity shares (1,311,525 equity shares post issue of bonus shares) were issued on 21 February 2022 @ face value of INR 1 received in cash and INR 48,900/- as securities premium on fair valuation of right to subscribe for consideration other than Cash.

(ii) Rights, preferences & restrictions attached to this class of share

Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

12.1.2 Equity Shares of INR 37 each

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|--|------------------------|----------|------------------------|----------|---------------------|----------|---------------------|----------|---------------------|----------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 3,530 | 0 | 3,530 | 0 | 3,530 | 0 | 3,530 | 0 | 3,530 | 0 |
| Add: Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note 12.1.1(i)(b)) | 1,27,080 | - | - | - | - | - | - | - | - | - |
| Less: Transfer to equity shares of INR 1 each post sub-division (refer note 12.1.1(i)(b)) | (1,30,610) | (0) | - | - | - | - | - | - | - | - |
| Closing Balance | - | - | 3,530 | 0 | 3,530 | 0 | 3,530 | 0 | 3,530 | 0 |

Note: 2,50,000 15% compulsorily convertible debentures of INR 10 each were converted into 353 Equity shares of INR 370 each at a price of INR 7,082.15 in exercise of the conversion clause of the subscription agreement on 20 October 2014.

The aforesaid shares were sub-divided to equity shares of face value of INR 37 each on 13 March 2015.

(ii) Rights, preferences & restrictions attached to this class of share

Each holder of the equity shares is entitled to one vote per share and carries a right to dividends as and when declared by the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

(Amount in millions of INR unless otherwise stated)

12.2 Instruments entirely equity in nature - Compulsorily convertible preference shares (CCPS).

12.2.1 Compulsorily Convertible Preference shares of INR 37 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 |
| Add: Issued during the period/year | - | - | - | - | - | - | - | - | - | - |
| Closing Balance | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 | 23,490 | 1 |

Note: 71 Compulsorily Convertible Preference shares issued on 20 October 2014 @ fair value of INR 21,696.17 (INR 370 as face value & INR 21,326.17 as securities premium) on conversion of loan along with accrued interest of INR 1,540,428.

The aforesaid Compulsorily Convertible Preference shares were sub-divided to Compulsorily Convertible Preference shares of face value of INR 37 each on 13 March 2015.

(ii) Rights, preferences & restrictions attached this class of share

(a) Each preference share shall get converted into 261 equity share of INR 1 each (refer note 12.1.1(i) (b)) subject to adjustments for share splits, bonus etc. based on the subscription agreement not later than 20 years from date of issue from financial year 2014-15.

(b) No dividend shall be payable.

(c) One vote per compulsorily convertible preference shares pari passu with the equity shares.

(d) Right over surplus assets on a pro-rata basis in the event of liquidation.

12.2.2 Series A Compulsorily Convertible Preference Shares of INR 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 |
| Add: Issued during the period/year | - | - | - | - | - | - | - | - | - | - |
| Closing Balance | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 | 74,732 | 0 |

12.2.3 Series B Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 |
| Add: Issued during the period/year | - | - | - | - | - | - | - | - | - | - |
| Closing Balance | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 | 99,826 | 1 |

12.2.4 Series B1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 |
| Add: Issued during the period/year | - | - | - | - | - | - | - | - | - | - |
| Closing Balance | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 | 29,347 | 0 |

12.2.5 Series C Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 |
| Add: Issued during the period/year | - | - | - | - | - | - | - | - | - | - |
| Closing Balance | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 | 29,699 | 0 |

12.2.6 Series C1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 |
| Add: Issued during the period/year | - | - | - | - | - | - | - | - | - | - |
| Closing Balance | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 | 20,688 | 0 |

12.2.7 Series D Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 |
| Add: Issued during the period/year | - | - | - | - | - | - | - | - | - | - |
| Closing Balance | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 | 88,040 | 1 |

12.2.8 Series E Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 1,93,789 | 2 | 1,93,789 | 2 | 1,93,789 | 2 | - | - | - | - |
| Add: Issued during the period/year | - | - | - | - | - | - | 1,63,131 | 2 | - | - |
| Add: Compulsorily Convertible Debentures converted into Series E CCPS (refer note 12.3 below) | - | - | - | - | - | - | 30,658 | 0 | - | - |
| Closing Balance | 1,93,789 | 2 | 1,93,789 | 2 | 1,93,789 | 2 | 1,93,789 | 2 | - | - |

12.2.9 Series E1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 51,359 | 1 | 51,359 | 1 | 51,359 | 1 | - | - | - | - |
| Add: Issued during the period/year | - | - | - | - | - | - | 51,359 | 1 | - | - |
| Closing Balance | 51,359 | 1 | 51,359 | 1 | 51,359 | 1 | 51,359 | 1 | - | - |

12.2.10 Series E2 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 2,04,391 | 2 | - | - | - | - | - | - | - | - |
| Add: Issued during the period/year | - | - | 2,04,391 | 2 | 2,04,391 | 2 | - | - | - | - |
| Closing Balance | 2,04,391 | 2 | 2,04,391 | 2 | 2,04,391 | 2 | - | - | - | - |

12.2.11 Series F Compulsorily Convertible Preference Shares of INR 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|--|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | - | - | - | - | - | - | - | - | - | - |
| Add: Issued during the period/year (refer note 12.2.12(iii) below) | 74,148 | 0 | - | - | - | - | - | - | - | - |
| Closing Balance | 74,148 | 0 | - | - | - | - | - | - | - | - |

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

(Amount in millions of INR unless otherwise stated)

12.2.12 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|--|------------------------|------------|------------------------|----------|---------------------|----------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance (refer note 12.2.12(ii) below) | 18,088 | 0 | - | - | - | - | - | - | - | - |
| Add: Issued during the period/year* | - | - | 18,088 | 0 | 18,088 | 0 | - | - | - | - |
| Add: Issued during the period/year (Series G) (refer note 12.2.12(v) and (vi) below) | 1,65,28,925 | 165 | - | - | - | - | - | - | - | - |
| Closing Balance | 1,65,47,013 | 165 | 18,088 | 0 | 18,088 | 0 | - | - | - | - |

* Pursuant to board and shareholder's approval, the Company has issued to 18,088 bonus share during the year ended 31 March 2024 of INR 10 per share to certain class of shareholders in ratio of their respective holdings.

(ii) Rights, preferences & restrictions attached to the above 12.2.2 to 12.2.10 and 12.2.12 (except Series G) classes of shares

(a) Preference share holders are entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, if declared by the Board of Directors. In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares shall be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share. All dividends to such shareholders shall be non-cumulative.

(b) On the occurrence of a liquidation event, the preference share holders shall be entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.

(c) Preference shares will be converted to such number of equity shares, at the conversion ratio then in effect:

- In the event the preference share holder requires Company to convert all or a part of such preference shares held by such holder;
- upon the earlier of (i) the closing of an IPO, or (ii) the date, or the occurrence of an event, specified by vote or written consent or agreement of the requisite number of investors.
- upon the date that is twenty (20) years after the date on which such series of Preference Shares were first issued by the Company.

(d) Holders of preference shares shall enjoy such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share could then be converted. If applicable law does not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the "Non-Voting Preference Shares"), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.

(iii) The Board of Directors of the Company in its meeting held on 16 May 2024 and shareholders of the Company in the Extraordinary General Meeting held on 28 May 2024 approved the issuance of 74,148 Series F Compulsory Convertible Preference Shares ("Series F CCPS") with face value of INR 1 per share at a premium of INR 11,673 per share, aggregating to INR 11,674 per share for cash on preferential basis. The Board of Directors vide their resolution dated 09 July 2024 allotted 74,148 Series F – CCPS of face value of INR 1 each with a premium of INR 11,673 per share to the Promoters, Tarun Sanjay Mehta and Swapnil Babanlal Jain, and considering the terms of the conversion of Series F CCPS linked with achievement of internal rate of return, the same has been accounted as share based payments in accordance "IND AS 102-Share-based Payment" under the head other equity.

(iv) Rights, preferences & restrictions attached to the Series F CCPS

(a) Preference share holders are entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, if declared by the Board of Directors. In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares shall be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share. All dividends to such shareholders shall be non-cumulative.

(b) On the occurrence of a liquidation event, the preference share holders shall be entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.

(c) Preference shares shall be converted up to a maximum of 19,352,628 equity shares upon meeting the conversion criteria upon occurrence of either of the following, whichever is earlier –

- (i) An IPO of the Company prior to agreed date; or
- (ii) An Exit Event as specified in the terms of issue of CCPS prior to the agreed date
- (iii) upon the date that is twenty (20) years after the date on which such series of Preference Shares were first issued by the Company.

(d) Holders of preference shares shall enjoy such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share could then be converted. If applicable law does not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the "Non-Voting Preference Shares"), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.

(v) The Board of Directors vide their resolution dated 29 July 2024 approved the issue of 16,528,925 Series G CCPS of face value of INR 10 each at a premium of INR 353 per share to India – Japan Fund (Represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited). Further, our Board of Directors by the resolution dated 04 September 2024, allotted 16,528,925 to Series G CCPS at an issue price of INR 363 for an aggregate consideration of INR 6,000 million. Considering the terms of the conversion of Series G CCPS, the same has been accounted as Financial liability under the head "Borrowings" in accordance with IND AS 32 - Financial Instruments - Presentation".

(vi) Rights, preferences & restrictions attached to the Series G CCPS

(a) Preference share holders are entitled to receive a dividend at the rate of 0.001% per annum on each preference share held by such holder, if declared by the Board of Directors. In the event the Company declares a dividend on the Equity Shares at a rate which is higher than the rate mentioned herein, the holders of Preference Shares shall be entitled to receive, in priority to the holders of Equity Shares, a dividend at a rate per preference share as would equal the product of (i) the higher dividend rate payable on each equity share and (ii) the number of equity shares issuable upon conversion of such preference share. All dividends to such shareholders shall be non-cumulative.

(b) On the occurrence of a liquidation event, the preference share holders shall be entitled to receive out of the proceeds or assets of the Company available for distribution to its shareholders, on a pari passu basis and prior and in preference to any distribution of proceeds of such liquidation event to the holders of equity shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable original issue price, plus declared but unpaid dividends thereon.

(c) Preference shares shall be converted up to a maximum of 31,826,050 equity shares, at the conversion ratio then in effect:

- In the event the preference share holder requires Company to convert all or a part of such preference shares held by such holder;
- upon the earlier of (i) filing of UDRHP, or (b) a subsequent equity fund raise for a minimum amount of USD 75 million or (iii) the date, or the occurrence of an event, specified by vote or written consent or agreement of the requisite number of investors.

(d) Holders of preference shares shall enjoy such voting rights available to the extent permissible under law, carry voting rights as if the preference shares have been fully converted into equity shares. Each preference share shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such preference share could then be converted. If applicable law does not permit any holder of preference shares to exercise voting rights on all or any matters submitted to the vote of the Shareholders of the Company (including the holders of equity shares) (the "Non-Voting Preference Shares"), then until the conversion of all such Non-Voting Preference Shares into equity shares, each shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the shareholders, in respect of such number of equity shares held by each of them such that a relevant percentage of the equity shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares.

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

(Amount in millions of INR unless otherwise stated)

| 12.3 Instruments entirely equity in nature - Compulsorily convertible debentures (CCD) of INR 100 each | | | | | | | | | | |
|---|------------------------|-----------|------------------------|--------------------------|---------------------|-----------|---------------------|-----------|---------------------|-----------|
| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
| | No of Debentures | Amount | No of Debentures | Amount (in Rs. Millions) | No of Debentures | Amount | No of Debentures | Amount | No of Debentures | Amount |
| Opening Balance | - | - | - | - | - | - | 30,658 | 3 | - | - |
| Add: Issued during the period/year | - | - | - | - | - | - | - | - | 30,658 | 3 |
| Less: Converted in to CCPS (refer note below) | - | - | - | - | - | - | 30,658 | 3 | - | - |
| Closing Balance | - | - | - | - | - | - | - | - | 30,658 | 3 |
| Note: | | | | | | | | | | |
| During the year ended 31 March 2023, the CCD of INR 100 each has been converted in to Series E CCPS of INR 10 each in the ratio of 1:1. | | | | | | | | | | |
| 12.4 Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company | | | | | | | | | | |
| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
| | No of Shares | % Holding | No of Shares | % Holding | No of Shares | % Holding | No of Shares | % Holding | No of Shares | % Holding |
| EQUITY SHARE CAPITAL | | | | | | | | | | |
| 12.4.1 Equity Shares of INR 1 each | | | | | | | | | | |
| Swapnil Babanlal Jain | 1,08,41,418 | 35% | 44,800 | 40% | 44,800 | 40% | 44,800 | 40% | 44,800 | 40% |
| Tarun Sanjay Mehta | 1,08,41,418 | 35% | 44,800 | 40% | 39,800 | 36% | 44,800 | 40% | 44,800 | 40% |
| Arun Vinayak | 21,97,620 | 7% | 8,420 | 8% | 8,420 | 8% | 8,420 | 8% | 8,420 | 8% |
| ITM Incubation Cell | - | - | 5,260 | 5% | 5,260 | 5% | 5,260 | 5% | 5,260 | 5% |
| 12.4.2 Equity Shares of INR 37 each | | | | | | | | | | |
| V Srinivasan | - | - | 3,530 | 100% | 3,530 | 100% | 3,530 | 100% | 3,530 | 100% |
| COMPULSORILY CONVERTIBLE PREFERENCE SHARE CAPITAL | | | | | | | | | | |
| 12.4.3 Compulsorily Convertible Preference shares of INR 37 each | | | | | | | | | | |
| Sachin Bansal | - | - | 10,950 | 47% | 7,278 | 31% | 10,950 | 47% | 10,950 | 47% |
| Three State Capital Pte Ltd | 10,950 | 47% | 10,950 | 47% | 10,950 | 47% | 10,950 | 47% | 10,950 | 47% |
| Hero MotoCorp Limited | 3,672 | 16% | - | - | 3,672 | 16% | - | - | - | - |
| NKSquared | 3,639 | 15% | - | - | - | - | - | - | - | - |
| Kamath Associates | 3,639 | 15% | - | - | - | - | - | - | - | - |
| 12.4.4 Series A Compulsorily Convertible Preference Shares of INR 1 each | | | | | | | | | | |
| Internet Fund III Pte Ltd | 74,732 | 100% | 74,732 | 100% | 74,732 | 100% | 74,732 | 100% | 74,732 | 100% |
| 12.4.5 Series B Compulsorily Convertible Preference Shares of INR 10 each | | | | | | | | | | |
| Hero MotoCorp Limited | 99,186 | 99% | 99,186 | 99% | 99,186 | 99% | 99,186 | 99% | 99,186 | 99% |
| 12.4.6 Series B1 Compulsorily Convertible Preference Shares of INR 10 each | | | | | | | | | | |
| Hero MotoCorp Limited | 29,347 | 100% | 29,347 | 100% | 29,347 | 100% | 29,347 | 100% | 29,347 | 100% |
| 12.4.7 Series C Compulsorily Convertible Preference Shares of INR 10 each | | | | | | | | | | |
| Sachin Bansal | - | - | 29,699 | 100% | 21,940 | 74% | 29,699 | 100% | 29,699 | 100% |
| Hero MotoCorp Limited | 16,209 | 55% | - | - | 7,759 | 26% | - | - | - | - |
| NKSquared | 6,745 | 23% | - | - | - | - | - | - | - | - |
| Kamath Associates | 6,745 | 23% | - | - | - | - | - | - | - | - |
| 12.4.8 Series C1 Compulsorily Convertible Preference Shares of INR 10 each | | | | | | | | | | |
| Hero MotoCorp Limited | 20,688 | 100% | 20,688 | 100% | 20,688 | 100% | 20,688 | 100% | 20,688 | 100% |
| 12.4.9 Series D Compulsorily Convertible Preference Shares of INR 10 each | | | | | | | | | | |
| Sachin Bansal | - | - | 57,565 | 65% | 37,376 | 42% | 57,565 | 65% | 57,565 | 65% |
| Hero MotoCorp Limited | 56,207 | 64% | 30,475 | 35% | 50,664 | 58% | 30,475 | 35% | 30,475 | 35% |
| NKSquared | 15,917 | 18% | - | - | - | - | - | - | - | - |
| Kamath Associates | 15,916 | 18% | - | - | - | - | - | - | - | - |
| 12.4.10 Series E Compulsorily Convertible Preference Shares of INR 10 each | | | | | | | | | | |
| Hero MotoCorp limited | 84,310 | 44% | 84,310 | 44% | 84,310 | 44% | 84,310 | 44% | - | - |
| National Investment and Infrastructure Fund II | 76,546 | 39% | 76,546 | 39% | 76,546 | 39% | 76,546 | 39% | - | - |
| Caladium Investment Pte Ltd | 30,558 | 16% | 30,558 | 16% | 30,558 | 16% | 30,558 | 16% | - | - |
| 12.4.11 Series E1 Compulsorily Convertible Preference Shares of INR 10 each | | | | | | | | | | |
| Caladium Investment Pte Ltd | 51,276 | 100% | 51,276 | 100% | 51,276 | 100% | 51,276 | 100% | - | - |
| 12.4.12 Series E2 Compulsorily Convertible Preference Shares of INR 10 each | | | | | | | | | | |
| Hero MotoCorp Limited | 1,13,404 | 55% | 1,13,404 | 55% | 1,13,404 | 55% | - | - | - | - |
| Caladium Investment Pte Ltd | 90,723 | 44% | 90,723 | 44% | 90,723 | 44% | - | - | - | - |
| 12.4.13 Series F Compulsorily Convertible Preference Shares of INR 1 each | | | | | | | | | | |
| (refer note 12.2.12(iii) above) | | | | | | | | | | |
| Swapnil Babanlal Jain | 37,074 | 50% | - | - | - | - | - | - | - | - |
| Tarun Sanjay Mehta | 37,074 | 50% | - | - | - | - | - | - | - | - |
| 12.4.14 Compulsorily Convertible Preference Shares of INR 10 each | | | | | | | | | | |
| Bonus CCPS (refer note 12.2.12 above) | | | | | | | | | | |
| Hero MotoCorp Limited | 10,915 | 60% | 6,420 | 35% | 6,420 | 35% | - | - | - | - |
| Sachin Bansal | - | - | 4,495 | 25% | 4,495 | 25% | - | - | - | - |
| Caladium Investment Pte Ltd | 5,559 | 31% | 5,559 | 31% | 5,559 | 31% | - | - | - | - |
| National Investment and Infrastructure Fund II | 1,561 | 9% | 1,561 | 9% | 1,561 | 9% | - | - | - | - |
| Series G CCPS (refer note 12.2.12(v) and (vi) above) | | | | | | | | | | |
| Indo-Japan fund | 1,65,28,925 | 100% | - | - | - | - | - | - | - | - |

12.5 Details of equity shares held by promoters*

| As at 31 December 2024 | | | |
|--|---|-------------------|----------------------------|
| Particulars | No. of shares at the end of the period* | % of total shares | % change during the period |
| Nominal value of INR 1 each | | | |
| Swapnil Babanlal Jain | 1,08,41,418 | 35% | -12.78% |
| Tarun Sanjay Mehta | 1,08,41,418 | 35% | -1.83% |
| Mehta Family Trust (Promoter group) | 7,83,000 | 3% | -5.94% |
| Tarun Swarna Family Trust (Promoter group) | 5,22,000 | 2% | -5.94% |
| Swapnil Jain Family Trust (Promoter group) | 6,52,500 | 2% | 100.00% |
| Jain Family Trust (Promoter group) | 6,52,500 | 2% | 100.00% |

* Post issuance of bonus shares

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

(Amount in millions of INR unless otherwise stated)

As at 31 December 2023

| Particulars | No. of shares at the end of the period | % of total shares | % change during the period |
|------------------------------------|--|-------------------|----------------------------|
| Nominal value of INR 1 each | | | |
| Swapnil Babanlal Jain | 44,800 | 40% | 0.00% |
| Tarun Sanjay Mehta | 44,800 | 40% | 0.00% |

* Promoters as defined in the Companies Act, 2013.

Note: The Company has identified Tarun Sanjay Mehta, Swapnil Babanlal Jain and Hero MotoCorp Limited ("HMCL") as 'Promoters' in line with the definition provided under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") vide its resolution passed in the Board meeting dated 27 August 2024.

As at 31 March 2024

| Particulars | No. of shares at the end of the year | % of total shares | % change during the year |
|--|--------------------------------------|-------------------|--------------------------|
| Nominal value of INR 1 each | | | |
| Swapnil Babanlal Jain | 44,800 | 40% | 0.00% |
| Tarun Sanjay Mehta | 39,800 | 36% | -11.16% |
| Mehta Family Trust (Promoter group) | 3,000 | 3% | 100.00% |
| Tarun Swarna Family Trust (Promoter group) | 2,000 | 2% | 100.00% |

As at 31 March 2023

| Particulars | No. of shares at the end of the year | % of total shares | % change during the year |
|------------------------------------|--------------------------------------|-------------------|--------------------------|
| Nominal value of INR 1 each | | | |
| Swapnil Babanlal Jain | 44,800 | 40% | -0.18% |
| Tarun Sanjay Mehta | 44,800 | 40% | -0.18% |

As at 31 March 2022

| Particulars | No. of shares at the end of the year | % of total shares | % change during the year |
|------------------------------------|--------------------------------------|-------------------|--------------------------|
| Nominal value of INR 1 each | | | |
| Swapnil Babanlal Jain | 44,800 | 40% | 0.00% |
| Tarun Sanjay Mehta | 44,800 | 40% | 0.00% |

Note - 13 OTHER EQUITY

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| (i) Securities Premium | | | | | |
| Balance at the beginning of the period/year | 33,327 | 23,521 | 23,521 | 11,522 | 9,779 |
| Add : Issue of compulsorily convertible debentures during the period/year | - | - | - | - | 1,497 |
| Add : Issue of compulsorily convertible preference shares during the period/year | - | 9,009 | 9,009 | 11,989 | - |
| Add : Issue of equity shares during the period/year | - | - | - | 10 | - |
| Add : Issue of equity shares on settlement of stock options during the period/year (refer note 12.1.1(i)(a)) | 169 | - | - | - | - |
| Add : Issue of bonus equity shares by utilisation of security premium during the period/year (refer note 12.1.1(i)(b)) | (30) | - | - | - | - |
| Add : Settlement of right to subscribe (RTS) liability by issue of equity instruments (refer note 16(i)) | - | 797 | 797 | - | - |
| Add : Issue of bonus compulsorily convertible preference shares during the period/year (refer note (a) below and note 16(i)) | - | (0) | (0) | - | 246 |
| Balance at the end of the period/year | 33,466 | 33,327 | 33,327 | 23,521 | 11,522 |
| (ii) Retained earnings | | | | | |
| Balance at the beginning of the period/year | (29,093) | (18,373) | (18,373) | (9,637) | (6,191) |
| Add : Restated loss for the period/year | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Add : Other Comprehensive income / (loss) | (17) | (20) | (26) | 6 | (5) |
| Less : Transfer from stock option outstanding account on cancellation/cash settlement | (60) | - | (97) | (97) | - |
| Balance at the end of the period/year | (34,949) | (26,157) | (29,093) | (18,373) | (9,637) |
| (iii) Stock Options Outstanding Reserve* | | | | | |
| Balance at the beginning of the period/year | 1,217 | 983 | 983 | 357 | 170 |
| Add : Charge against share-based payments | 616 | 274 | 882 | 650 | 187 |
| Add: Modification of terms of employee share based payments | 43 | - | - | - | - |
| Add: Issue of compulsorily convertible preference shares during the period/year (refer note 12.2.12(iii)) | 866 | - | - | - | - |
| Less : Stock options settled/cancelled during the period/year (refer note (b) below and note 25(a)) | (108) | - | (745) | (121) | - |
| Less: Issue of equity shares on settlement of stock options during the period/year (refer note 12.1.1(i)(a)) | (170) | - | - | - | - |
| Add : Transfer to retained earnings on cancellation/cash settlement | 60 | - | 97 | 97 | - |
| Balance at the end of the period/year | 2,524 | 1,257 | 1,217 | 983 | 357 |
| Total | 1,041 | 8,427 | 5,451 | 6,131 | 2,242 |

* Includes CCPS of INR 866 millions for the nine months ended 31 December 2024 (nine months ended 31 December 2023: Nil, year ended 31 March 2024: Nil, year ended 31 March 2023: Nil, year ended 31 March 2022: Nil)

Nature and purpose of other reserve:

(i) Securities Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013

(ii) Retained earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend and other distributions made to the shareholders.

(iii) Stock Options Outstanding Reserve

The fair value of the equity-settled share based payment transactions with employees is recognised in restated statement of profit and loss with corresponding credit to stock options outstanding reserve. The amount of cost recognised is transferred to equity share capital and security premium on exercise of the related stock options.

Notes:

(a) Pursuant to board and shareholder's approval, the Company has issued 18,088 bonus shares during the year ended 31 March 2024 of INR 10 per share to certain class of shareholders in ratio of their respective holdings.

(b) For the year ended 31 March 2023, the Company announced ESOP Cash Settlement program whereby a participant could opt for cash settlement of vested options. The cash payment made to settle the fully vested options of INR 121 million is debited to reserves in accordance with Ind AS 102.

| Note - 14 BORROWINGS | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Non-current (at amortised cost) | | | | | |
| Secured | | | | | |
| (a) Non convertible debentures | 1,591 | 431 | 247 | - | - |
| (b) Term loans | | | | | |
| (i) from banks | 11 | 79 | 62 | 128 | 186 |
| (ii) from others | - | 270 | - | 1,077 | 901 |
| Total | 1,602 | 780 | 309 | 1,205 | 1,087 |
| Current (at amortised cost) | | | | | |
| Secured | | | | | |
| (a) Loans repayable on demand | | | | | |
| (i) from banks | 860 | 257 | 1,035 | 2,193 | 287 |
| (ii) from others | - | - | - | - | 400 |
| (b) Compulsorily convertible preference share (refer note 12.2.12(v)) | 6,000 | - | - | - | - |
| (c) Current Maturities of long term debt | | | | | |
| Non convertible debentures | 2,416 | 786 | 666 | 344 | - |
| Term loans | | | | | |
| (i) from banks | 68 | 68 | 68 | 68 | 105 |
| (ii) from others | 270 | 1,099 | 1,071 | 1,042 | 1,105 |
| Total | 9,614 | 2,210 | 2,840 | 3,647 | 1,897 |
| | 11,216 | 2,990 | 3,149 | 4,852 | 2,984 |

Note:

(i) The above amounts are net of unamortized borrowing cost.

(i) Terms and repayment:

(a) Secured term loans from banks and others carry interest rate ranging from 9.25% p.a. to 14.00% p.a. These loans are repayable in monthly installments as per the terms of the respective loan agreements. Tenure of these loans are ranging from 2 to 5 years.

(b) The Company has availed short term credit facilities in the form of working capital demand loans to meet the working capital requirements of the Company and these facilities carry an floating interest from 6.83% p.a. to 11.45% p.a. These are repayable on demand.

(c) The Company has issued redeemable Non-convertible debentures for the purpose of general corporate purposes and the terms of the debentures are as below:

| Face value (INR) | Number of debentures | Allotted on | Outstanding as at 31 December 2024* | Outstanding as at 31 December 2023* | Outstanding as at 31 March 2024* | Outstanding as at 31 March 2023* | Interest rate | Repayment |
|------------------|----------------------|-------------------|-------------------------------------|-------------------------------------|----------------------------------|----------------------------------|--------------------------------------|---|
| 1,00,000 | 2,000 | 13 November 2024 | 200 | - | - | - | 14.85% p.a. payable on monthly basis | Redeemable in 19 equal installments of INR 1,05,20,000/- each |
| 1,00,000 | 10,000 | 13 June 2024 | 1,000 | - | - | - | 14.50% p.a. payable on monthly basis | Redeemable in 21 equal installments of INR 476,19,048/- each |
| 1,00,000 | 5,000 | 30 May 2024 | 500 | - | - | - | 14.50% p.a. payable on monthly basis | Redeemable in 21 equal installments of INR 238,09,524/- each |
| 1,00,000 | 5,000 | 30 May 2024 | 500 | - | - | - | 14.50% p.a. payable on monthly basis | Redeemable in 21 equal installments of INR 238,09,524/- each |
| 1,00,000 | 6,000 | 24 July 2024 | 600 | - | - | - | 14.85% p.a. payable on monthly basis | Redeemable in 20 equal installments of INR 300,00,000/- each |
| 1,00,000 | 6,000 | 04 April 2024 | 480 | - | - | - | 14.85% p.a. payable on monthly basis | Redeemable in 20 equal installments of INR 300,00,000/- each |
| 1,00,000 | 2,000 | 28 April 2024 | 130 | - | - | - | 14.85% p.a. payable on monthly basis | Redeemable in 20 equal installments of INR 100,00,000/- each |
| 1,00,000 | 3,000 | 28 April 2024 | 195 | - | - | - | 14.85% p.a. payable on monthly basis | Redeemable in 20 equal installments of INR 150,00,000/- each |
| 1,00,000 | 5,000 | 11 August 2023 | 167 | 452 | 357 | - | 14.85% p.a. payable on monthly basis | Redeemable in 21 equal installments of INR 2,38,00,000/- each |
| 1,00,000 | 5,000 | 18 August 2023 | 167 | 452 | 357 | - | 14.85% p.a. payable on monthly basis | Redeemable in 21 equal installments of INR 2,38,00,000/- each |
| 1,00,000 | 1,500 | 02 September 2023 | 50 | 136 | 107 | - | 14.85% p.a. payable on monthly basis | Redeemable in 21 equal installments of INR 71,42,857/- each |
| 1,00,000 | 1,500 | 02 September 2023 | 50 | 136 | 107 | - | 14.85% p.a. payable on monthly basis | Redeemable in 21 equal installments of INR 71,42,857/- each |
| 10,00,000 | 500 | 04 October 2022 | - | 63 | - | 344 | 14.75% p.a. payable on monthly basis | Redeemable in 16 equal installments of INR 3,12,50,000/- each |

*Excluding amount of unamortised processing charges and back-end fees

Non-convertible debentures as at 31 March 2022 are Nil.

(ii) Term of security:

(a) Term loans and Working capital loans from banks:

Pari passu charge on current assets both present and future, Cash margin of 25% by way lien on fixed deposits, Pari passu charge on brand and trade mark/IPR/Intangibles of the technology stock/product suite if any.

(b) Term loans from Others

First pari passu charge on movable property, plant and equipment of the Company including intangibles, Cash margin @20% of principal outstanding amount, Second charge over the present and future current assets of the Company.

(c) Non-convertible debentures

First pari-passu charge on existing and future property, plant and equipment, Cash and cash equivalents & all intellectual property rights, Second pari-passu charge on existing and future Current assets of the company.

(iii) Additional disclosures:

- The Company has borrowings from banks or financial institutions on the basis of security of current assets and the statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- The Company has utilised the borrowings for the purpose for which it was taken.
- Charges or satisfaction of charges are registered with ROC within the statutory period, there are no charges or satisfaction yet to be registered with ROC beyond the statutory period as at 31 December 2024.
- The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

Note - 15 LEASE LIABILITIES

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Non-current | | | | | |
| Lease liabilities (Refer note 2(b)) | 1,393 | 1,556 | 1,419 | 1,686 | 597 |
| Total | 1,393 | 1,556 | 1,419 | 1,686 | 597 |
| Current | | | | | |
| Lease liabilities (Refer note 2(b)) | 237 | 202 | 209 | 178 | 68 |
| Total | 237 | 202 | 209 | 178 | 68 |

Note - 16 OTHER FINANCIAL LIABILITIES

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Non-current | | | | | |
| Deposits received from dealers | 115 | 91 | 103 | 59 | 19 |
| Total | 115 | 91 | 103 | 59 | 19 |
| Current | | | | | |
| Payable to employees | 182 | 213 | 801 | 258 | 208 |
| Interest accrued on borrowings | 24 | 19 | 1 | 11 | 14 |
| Right to subscribe (refer note (i) & (ii) below) | - | 30 | 44 | 617 | 49 |
| Stock option liability (cash settled) (refer note (iii) below) | - | 249 | 350 | 415 | 175 |
| Payable on purchase of Property, Plant and Equipment | 97 | 9 | 39 | 80 | 86 |
| Payable towards refund of charger price to customer and incentive amount for differential battery capacity (refer note to 29(a)) | 117 | 249 | 111 | - | - |
| Other Liabilities | 2 | 1 | 2 | 2 | 1 |
| Total | 422 | 770 | 1,348 | 1,383 | 533 |

Note:

(i) In terms of borrowing and shareholder's agreements, certain lenders / shareholders have 'Right To Subscribe' (RTS) to the Company's equity shares of face value of INR 1 each. During the financial year ended 31 March 2024, certain shareholders having 18,088 RTS have shared their consent to the Company for exercising their rights. Furthermore, shareholders have indicated their consent to the board for the issuance of bonus Compulsorily Convertible Preference Shares (CCPS) in lieu of equity shares, subject to the decision of both the Board and Shareholder. Pursuant to board and shareholder's approval, the Company has issued to 18,088 bonus CCPS to certain class of shareholder's in ratio of their respective holdings. Consequently, the settlement of full RTS liability by issue of bonus shares has been adjusted with the Securities Premium account.

(ii) In terms of borrowing agreements, certain lenders have 'Right To Subscribe' ("RTS") to the Company's equity shares of face value of INR 1 each. During the nine months ended 31 December 2024, lenders having 1,811 RTS have intimated the Company to exercise their rights and opt for one time cash settlement in lieu of equity shares of the Company. Pursuant to a resolution passed in the Board meeting held on 09 July 2024, the Company has entered into the settlement agreement dated 15 July 2024 with the said lenders for cancellation and relinquishment of RTS by cash settlement amounting to INR 8 million which has been paid and settled.

(iii) Stock option liability (cash settled): Eligible employees and consultants were entitled to receive cash on account of appreciation in stock prices of the Company, subject to fulfilment of certain vesting conditions.

The fair value of the above liabilities as at 31 December 2023, 31 March 2024, 31 March 2023 and 31 March 2022 are determined by using Black-Scholes Model.

Note - 17 PROVISIONS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Non-current | | | | | |
| Provision for Employee benefits | | | | | |
| Provision for Gratuity (Refer note 34) | 213 | 137 | 155 | 92 | 61 |
| Provision for compensated absences | 144 | 103 | 116 | 81 | 61 |
| | 357 | 240 | 271 | 173 | 122 |
| Other provisions | | | | | |
| Provision for warranties (Refer note (a) below) | 327 | 434 | 404 | 288 | 153 |
| Provision for site-restoration expense (Refer note (b) below) | 30 | 27 | 27 | 25 | 15 |
| | 357 | 461 | 431 | 313 | 168 |
| Total | 714 | 701 | 702 | 486 | 290 |
| Current | | | | | |
| Provision for Employee benefits | | | | | |
| Provision for Gratuity (Refer note 34) | 18 | 18 | 17 | 11 | 5 |
| Provision for compensated absences | 50 | 30 | 28 | 34 | 12 |
| | 68 | 48 | 45 | 45 | 17 |
| Other provisions | | | | | |
| Provision for warranties (Refer note (a) below) | 1,010 | 673 | 672 | 532 | 88 |
| Provision for repairs and others (Refer note (c) below) | 50 | 80 | 90 | 10 | - |
| | 1,060 | 753 | 762 | 542 | 88 |
| Total | 1,128 | 801 | 807 | 587 | 105 |

(a) Movement of provision for warranty

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Opening balance | 1,076 | 820 | 820 | 241 | 59 |
| Addition during the period/year | 593 | 461 | 444 | 581 | 204 |
| Unwinding of interest | 53 | 46 | 77 | 53 | 7 |
| Utilised during the period/year | (219) | (209) | (250) | (46) | (29) |
| Unused amounts reversed during the period/year | (166) | (11) | (15) | (9) | - |
| Closing balance | 1,337 | 1,107 | 1,076 | 820 | 241 |
| Non Current | 327 | 434 | 404 | 288 | 153 |
| Current | 1,010 | 673 | 672 | 532 | 88 |

(b) Movement of site-restoration expense

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Opening balance | 27 | 25 | 25 | 15 | 5 |
| Addition during the period/year | 2 | - | - | 12 | 9 |
| Unwinding of interest period/year | 2 | 2 | 3 | 2 | 1 |
| Unused amounts reversed during the period/year | (1) | (0) | (1) | (4) | - |
| Closing balance | 30 | 27 | 27 | 25 | 15 |
| Non Current | 30 | 27 | 27 | 25 | 15 |
| Current | - | - | - | - | - |

(c) Movement of provision for repairs and others

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Opening balance | 90 | 10 | 10 | - | - |
| Addition during the period/year | 3 | 74 | 93 | 13 | - |
| Utilised during the period/year | (25) | (4) | (13) | (3) | - |
| Unused amounts reversed during the period/year | (18) | - | - | - | - |
| Closing balance | 50 | 80 | 90 | 10 | - |
| Non Current | - | - | - | - | - |
| Current | 50 | 80 | 90 | 10 | - |

Note - 18 OTHER LIABILITIES

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Non-current | | | | | |
| Subsidy received from Government (refer note below) | 21 | 21 | 21 | - | - |
| Deferred government grant | 10 | - | - | - | - |
| Deferred revenue | 650 | 274 | 358 | - | - |
| Total | 681 | 295 | 379 | - | - |
| Current | | | | | |
| Statutory dues payable | 90 | 81 | 455 | 105 | 35 |
| Interest payable to vendors registered under the MSMED Act | 25 | 19 | 18 | 13 | 7 |
| Deferred revenue | 165 | 108 | 121 | 22 | 8 |
| Advance received from customers | 333 | 422 | 939 | 423 | 82 |
| Total | 613 | 630 | 1,533 | 563 | 132 |

Note: During the nine months ended 31 December 2023 and year ended 31 March 2024, the Company received an amount towards incentive under the Tamil Nadu Electric Vehicle Policy 2019 subject to fulfilment of certain conditions. Pending fulfilment of the attached conditions, the Company has disclosed the incentive received as other liabilities in line with Ind AS-20.

Note - 19 TRADE PAYABLES

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Total outstanding dues of micro and small enterprises (MSME) | 267 | 152 | 185 | 238 | 100 |
| Total outstanding dues of creditors other than micro and small enterprises | 3,854 | 2,079 | 3,842 | 3,599 | 1,109 |
| Total | 4,121 | 2,231 | 4,027 | 3,837 | 1,209 |

(a) Trade Payables ageing as at 31 December 2024

| Particulars | Outstanding for the following periods from the due date | | | | | Total |
|-------------------|---|------------------|-----------|-----------|------------------|--------------|
| | Not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 year | |
| Undisputed | | | | | | |
| - MSME | 147 | 118 | 2 | - | - | 267 |
| - Others | 2,208 | 658 | 5 | 0 | 0 | 2,871 |
| Disputed | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| Total | 2,355 | 776 | 7 | 0 | 0 | 3,138 |
| Accrued expenses | | | | | | 983 |
| | | | | | | 4,121 |

(b) Trade Payables ageing as at 31 December 2023

| Particulars | Outstanding for the following periods from the due date | | | | | Total |
|-------------------|---|------------------|-----------|-----------|------------------|--------------|
| | Not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 year | |
| Undisputed | | | | | | |
| - MSME | 116 | 36 | 0 | 0 | 0 | 152 |
| - Others | 995 | 188 | 2 | - | 4 | 1,189 |
| Disputed | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| Total | 1,111 | 224 | 2 | 0 | 4 | 1,341 |
| Accrued expenses | | | | | | 890 |
| | | | | | | 2,231 |

(c) Trade Payables ageing as at 31 March 2024

| Particulars | Outstanding for the following periods from the due date | | | | | Total |
|-------------------|---|------------------|-----------|-----------|------------------|--------------|
| | Not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 year | |
| Undisputed | | | | | | |
| - MSME | 133 | 52 | 0 | - | - | 185 |
| - Others | 2,402 | 475 | 4 | 0 | 0 | 2,881 |
| Disputed | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| Total | 2,535 | 527 | 4 | 0 | 0 | 3,066 |
| Accrued expenses | | | | | | 961 |
| | | | | | | 4,027 |

(d) Trade Payables ageing as at 31 March 2023

| Particulars | Outstanding for the following periods from the due date | | | | | Total |
|-------------------------|---|------------------|-----------|-----------|------------------|--------------|
| | Not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 year | |
| Undisputed | | | | | | |
| - MSME | 217 | 20 | 0 | - | 0 | 237 |
| - Others | 1,963 | 460 | 1 | 3 | 1 | 2,428 |
| Disputed | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| Total | 2,180 | 480 | 1 | 3 | 1 | 2,665 |
| Accrued expenses | | | | | | 1,172 |
| | | | | | | 3,837 |

(e) Trade Payables ageing as at 31 March 2022

| Particulars | Outstanding for the following periods from the due date | | | | | Total |
|-------------------------|---|------------------|-----------|-----------|------------------|--------------|
| | Not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 year | |
| Undisputed | | | | | | |
| - MSME | 91 | - | 9 | - | - | 100 |
| - Others | 555 | 11 | 9 | 4 | 5 | 584 |
| Disputed | | | | | | |
| - MSME | - | - | - | - | - | - |
| - Others | - | - | - | - | - | - |
| Total | 646 | 11 | 18 | 4 | 5 | 684 |
| Accrued expenses | | | | | | 525 |
| | | | | | | 1,209 |

(f) Relationship with struck off Companies

| Transactions during the period/year | Nature of transactions | Relationship | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|------------------------|--------------|---|---|-----------------------------|-----------------------------|-----------------------------|
| Chai Kahani Cafes And Services P. Ltd. | Service charges | Vendor | - | 0 | - | 0 | - |
| Touch Stream Solutions Private Ltd. | Service charges | Vendor | - | - | - | - | 0 |

DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| (i) Principal amount remaining unpaid to suppliers | 267 | 152 | 185 | 238 | 100 |
| (ii) Interest due on unpaid principal amount to suppliers | 25 | 19 | 18 | 13 | 7 |
| (iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day | - | - | - | - | - |
| (iv) The amount of interest due and payable for the period/year of delay in making the payment (without adding the interest under MSME Development Act) | 5 | 6 | 5 | 6 | 4 |
| (v) The amount of interest accrued and remaining unpaid | 25 | 19 | 18 | 13 | 7 |
| (vi) Amount of further interest remaining due and payable even in the succeeding period/year. | - | - | - | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

(Amount in millions of INR unless otherwise stated)

| Note - 20 REVENUE FROM OPERATIONS | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--|--|-----------------------------|-----------------------------|-----------------------------|
| Revenue from sale of products and services | | | | | |
| Sale of finished goods | 14,010 | 11,088 | 15,819 | 14,327 | 3,703 |
| Sale of stock-in-trade | 743 | 350 | 502 | 2,072 | 89 |
| Sale of services | 1,005 | 850 | 1,190 | 1,397 | 293 |
| Other operating revenue | 31 | 16 | 27 | 13 | 4 |
| Total | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |

A. Reconciliation of Revenue from operations with the contracted price:

| Description | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--|--|-----------------------------|-----------------------------|-----------------------------|
| Contract price | 18,535 | 12,847 | 18,880 | 17,932 | 4,282 |
| Less: Trade discounts, Incentives, etc | (2,746) | (543) | (1,342) | (123) | (193) |
| Total | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |

B. Disaggregation of revenue:

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition. Refer note 33 for revenue by geography.

C. Assets and liabilities related to contracts with customers:

| Description | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Contract assets | | | | | |
| Trade receivables | 103 | 13 | 16 | 12 | 10 |
| Total | 103 | 13 | 16 | 12 | 10 |
| Contract liabilities | | | | | |
| Advance from customers | 333 | 422 | 939 | 423 | 82 |
| Deferred revenue | 815 | 382 | 479 | 22 | 8 |
| Total | 1,148 | 804 | 1,418 | 445 | 90 |

D. Revenue recognised in the below mentioned period that was included in the contract liability balance at the beginning of the period:

| Description | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--|--|-----------------------------|-----------------------------|-----------------------------|
| Revenue recognised from contract liabilities at the beginning of the period/year | 939 | 423 | 423 | 82 | 133 |

E. Movement in deferred revenue during the period/year:

| Description | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|--|--|-----------------------------|-----------------------------|-----------------------------|
| Opening balance | 479 | 22 | 22 | 8 | 13 |
| Add: Net addition during the period/year | 440 | 419 | 548 | 35 | 8 |
| Less: Revenue recognised during the period/year | (104) | (59) | (91) | (21) | (13) |
| Closing balance | 815 | 382 | 479 | 22 | 8 |

F. Timing of revenue recognition:

| Description | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|--|--|-----------------------------|-----------------------------|-----------------------------|
| Goods and services transferred at a point in time | 15,685 | 12,245 | 17,447 | 17,788 | 4,076 |
| Service transferred over time | 104 | 59 | 91 | 21 | 13 |
| Total | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |

| Note - 21 OTHER INCOME | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--|--|-----------------------------|-----------------------------|-----------------------------|
| Interest income under the effective interest method on financial assets carried | | | | | |
| Interest on term deposit | 102 | 112 | 164 | 75 | 18 |
| Unwinding of Interest on financial assets | 23 | 9 | 32 | 7 | 4 |
| Income on financial assets carried at fair value through profit or loss | | | | | |
| Net gain on disposal / fair valuation of investments carried at fair value through profit & loss | 204 | 89 | 115 | 118 | 20 |
| Profit on sale of non-trade investments | - | - | - | 2 | - |
| Other non-operating income | | | | | |
| Provision/Liability no longer required written back | 45 | 18 | 32 | - | - |
| Gain on sale of Property, Plant and Equipment | 0 | 1 | 3 | 3 | - |
| Other income | 11 | 4 | 7 | 4 | 7 |
| Total | 385 | 233 | 353 | 209 | 49 |

(Amount in millions of INR unless otherwise stated)

| Note - 22 COST OF MATERIAL CONSUMED | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Raw Materials and components consumed: | | | | | |
| Inventory at the beginning of the period/year | 989 | 2,118 | 2,118 | 490 | 296 |
| Add: Purchases | 13,586 | 10,412 | 14,663 | 16,998 | 3,676 |
| Less: Inventory at the end of the period/year | (1,506) | (1,207) | (989) | (2,118) | (490) |
| Total | 13,069 | 11,323 | 15,792 | 15,370 | 3,482 |

| Note - 23 PURCHASE OF STOCK IN TRADE | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Purchase of stock-in-trade | 612 | 221 | 279 | 923 | 201 |
| Total | 612 | 221 | 279 | 923 | 201 |

| Note - 24 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Inventories at the beginning of the period/year | | | | | |
| - Finished Goods | 90 | 303 | 303 | 40 | 184 |
| - Work-in-Progress | 0 | 39 | 39 | 5 | 4 |
| - Stock-in-trade | 88 | 114 | 114 | 72 | 84 |
| | 178 | 456 | 456 | 117 | 272 |
| - Stock-in-trade capitalised | (8) | (31) | (31) | (0) | - |
| Inventories at the end of the period/year | | | | | |
| - Finished Goods | 426 | 83 | 90 | 303 | 40 |
| - Work-in-Progress | 103 | 347 | 0 | 39 | 5 |
| - Stock-in-trade | 193 | 100 | 88 | 114 | 72 |
| | 722 | 530 | 178 | 456 | 117 |
| Total | (552) | (105) | 247 | (339) | 155 |

| Note - 25 EMPLOYEE BENEFITS EXPENSE | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Salaries and wages | 2,666 | 2,121 | 3,055 | 2,240 | 1,106 |
| Employee share based payment expenses (refer note (a) below) | 610 | 63 | 754 | 885 | 276 |
| Contribution to provident and other funds | 129 | 100 | 137 | 89 | 38 |
| Gratuity (refer note 34) | 55 | 38 | 50 | 49 | 19 |
| Staff welfare expenses | 143 | 120 | 165 | 136 | 55 |
| | 3,603 | 2,442 | 4,161 | 3,399 | 1,494 |
| Less : Transfer to intangible assets under development | (570) | (291) | (469) | (51) | (355) |
| Total | 3,033 | 2,151 | 3,692 | 3,348 | 1,139 |

Note:

(a) During the financial year 2022-23, the Company has granted 46,149 option under the Management Stock Option Plan 2022 (MSOP 2022) approved by shareholders in meeting dated 26 September, 2022 and expense has been accounted by INR 52 million as at 31 March 2023.

During the year ended 31 March 2024, the board, in its meeting dated 31 March 2024, has approved the cancellation of MSOP 2022 including all options granted and also approved the payment of lump sum cash consideration, based on the fair value of the said options cancelled, in lieu of cancellation of all options under MSOP 2022. On cancellation of MSOP 2022, INR 596 million has been accounted immediately in the statement of profit and loss as an acceleration of vesting. On the date of such cancellation, the fair value of the options of INR 745 million settled in cash and is accounted as a deduction from other equity.

| Note - 26 FINANCE COSTS | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Interest cost on financial liabilities at amortised cost: | | | | | |
| Interest on borrowings | 574 | 470 | 579 | 433 | 336 |
| Interest on lease liabilities | 142 | 147 | 196 | 136 | 52 |
| Interest on delayed payments to vendors registered under the MSMED Act | 5 | 6 | 5 | 6 | 4 |
| Interest on others | 68 | 48 | 80 | 55 | 7 |
| Exchange differences regarded as an adjustment to borrowing costs | 7 | 5 | 7 | 0 | - |
| Other borrowing cost | 25 | 23 | 23 | 20 | 8 |
| Total | 821 | 699 | 890 | 650 | 407 |

| Note - 27 DEPRECIATION AND AMORTISATION EXPENSE | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation of property, plant and equipment (refer note 2(a)) | 320 | 271 | 370 | 260 | 186 |
| Depreciation of right-of-use assets (refer note 2(b)) | 225 | 219 | 288 | 199 | 109 |
| Amortization of other intangible assets (refer note 2(d)) | 713 | 600 | 809 | 669 | 189 |
| Total | 1,258 | 1,090 | 1,467 | 1,128 | 484 |

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to restated financial information

(Amount in millions of INR unless otherwise stated)

| Note - 28 OTHER EXPENSES* | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Advertisement and marketing | 1,006 | 591 | 907 | 2,038 | 455 |
| Consumables | 146 | 192 | 313 | 232 | 8 |
| Freight and carriage outwards | 225 | 138 | 213 | 155 | 55 |
| Electricity charges | 85 | 71 | 91 | 60 | 28 |
| Insurance | 33 | 22 | 33 | 26 | 16 |
| Legal, professional and consultancy charges (refer note (a) below) | 586 | 410 | 588 | 612 | 252 |
| Warranty cost | 410 | 416 | 429 | 572 | 204 |
| Web server charges and subscriptions | 209 | 167 | 229 | 262 | 111 |
| Rent and maintenance | 114 | 95 | 119 | 95 | 45 |
| Repairs and maintenance | | | | | |
| - Plant & machinery | 10 | 8 | 12 | 5 | 1 |
| - Vehicles | 4 | 1 | 1 | 2 | 7 |
| - Others | 41 | 135 | 151 | 58 | 14 |
| Charging infrastructure maintenance charges | 40 | 30 | 44 | 45 | 14 |
| Communication charges | 109 | 118 | 160 | 97 | 21 |
| Software license fee | 203 | 136 | 209 | 126 | 59 |
| Travelling and conveyance | 275 | 159 | 222 | 216 | 53 |
| Recruitment / training expenses | 31 | 34 | 38 | 88 | 27 |
| Security charges | 35 | 34 | 42 | 40 | 22 |
| Loss on fair value measurement of financial liabilities (refer note (b) below) | - | 210 | 224 | 568 | 137 |
| Assets discarded | 2 | 1 | 12 | 104 | 18 |
| Foreign exchange loss | 24 | 5 | 7 | 22 | 20 |
| Allowance for doubtful advance and receivables | 18 | 31 | 58 | 8 | 49 |
| Sundry balances written off (refer note (c) below) | - | - | 6 | 0 | 0 |
| Rates and taxes | 21 | 6 | 15 | 19 | 3 |
| Directors sitting fees | 2 | - | - | - | - |
| Payment to auditors | | | | | |
| - Statutory audit fees ** | 4 | 4 | 5 | 3 | 2 |
| - Certification fees | 1 | 2 | 3 | - | - |
| - Reimbursement | 0 | 0 | 0 | - | - |
| Miscellaneous expenses | 78 | 160 | 244 | 130 | 90 |
| Total | 3,712 | 3,176 | 4,375 | 5,583 | 1,711 |

*Total other expenses are net of capitalisation of INR 195 million for the nine months ended 31 December 2024 (nine months ended 31 December 2023: 57 million, year ended 31 March 2024: INR 94 million, year ended 31 March 2023: INR 54 million, year ended 31 March 2022: INR 97 million)

** Above fees does not include INR 24 million for the nine months ended 31 December 2024 (for the nine months ended 31 December 2023: Nil, year ended 31 March 2024: Nil, year ended 31 March 2023: Nil, year ended 31 March 2022: Nil) which are disclosed as share issue expenses under other current asset.

Notes:

(a) Legal, professional and consultancy charges (net) of INR Nil (nine months ended 31 December 2023: INR 56 million, year ended 31 March 2024: INR 59 million, year ended 31 March 2023: Nil, year ended 31 March 2022: Nil) towards the share based payment arrangements entered into with advisors in earlier years.

(b) Fair valuation of right to subscribe outstanding as at the period ended.

(c) Net of allowance for doubtful advance utilised of INR Nil (nine months ended 31 December 2023: Nil, year ended 31 March 2024: INR 26 million, year ended 31 March 2023: Nil, year ended 31 March 2022: Nil)

| Note - 29 EXCEPTIONAL ITEMS | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Refund of charger price (refer note (a) below) | - | 1,578 | 1,578 | - | - |
| Refund of FAME incentive for differential battery capacity (refer note (a) below) | - | 168 | 168 | - | - |
| Total | - | 1,746 | 1,746 | - | - |

Note:

(a) In response to a show cause notice ("SCN") dated 29 March 2023 from IFCI Limited on behalf of the Ministry of Heavy Industries ("MHI") in relation to certain matters under the FAME II and Phased Manufacturing Program ("PMP") guidelines, the Company vide its undertaking dated 23 May 2023, without prejudice agreed to voluntarily refund the price of the "Off board chargers" to all customers who purchased an off board charger as an accessory prior to 12 April 2023. Further, the Company has also voluntarily agreed to pay differential incentive amount claimed based on installed capacity against usable capacity.

During the nine months ended 31st December 2023, the Company has recorded an expense of INR 1,578 Million towards refund of "Off board chargers related liability" and INR 168 Million towards adjustment of incentive for differential battery capacity (including interest). As at 31 December 2024, the Company has refunded an amount of INR 1,461 million (31 December 2023: INR 1,329 million and 31 March 2024: INR 1,467 million) to the customers for liability towards "Off-board chargers". Against the outstanding liability of INR 117 million as at 31 December 2024, a deposit is maintained in a bank account managed by IFCI Limited, which will be refunded back to the Company on actual payment of charger refund to customers and on submission of relevant documents of such refund. Further, the Company has paid an amount of INR 168 Million to MHI towards adjustment of incentive for differential usable battery capacity.

Note - 30 IMPAIRMENT TESTING OF TANGIBLE AND INTANGIBLE ASSETS INCLUDING INTANGIBLES ASSETS UNDER DEVELOPMENT

The Company does its impairment evaluation on an annual basis and based on such evaluation, the estimated recoverable amount of the Cash Generating Unit (CGU) exceeded its carrying amount. For the purpose of impairment testing, tangible assets, intangible assets (Product Design & Development) and intangible assets under development are allocated to the CGU. For this, the Company as a whole is considered as CGU. For the nine months ended 31 December 2024, the Company has validated the key assumptions used at the time of annual impairment assessment and there is no material change in assumption as at reporting date.

The recoverable amount of the above CGU has been determined based on 'value in use' model, where in the value of cash generating unit is determined as a sum of the net present value of the projected post tax cash flows for a period of 5 years and terminal value. The terminal value of cash generating unit is arrived at by extrapolating cash flows of latest forecasted year to perpetuity using a constant long-term growth rate.

Determination of value in use involves significant estimates and assumptions that affect the reporting CGU's expected future cash flows. The Company has performed sensitivity analysis for all key assumptions and concluded that it is unlikely to cause the carrying amount of the CGU exceed its estimated recoverable amount. The key assumptions used for the calculations on an annual basis were as follows:

| Particulars | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------|------------------------|------------------------|------------------------|
| Discount rate | 23.70% | 26.80% | 25.20% |
| Long-term growth rate | 5.00% | 5.00% | 5.00% |

The actuals results of operations and cash flows could be different from the estimates.

Note - 31 RESTATED EARNINGS PER SHARE

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|--|--|-----------------------------|-----------------------------|-----------------------------|
| Restated loss for the period/year attributable to owners of the Company. | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Weighted average number of equity shares outstanding during the period/year | 24,85,15,284 | 21,61,04,513 | 22,39,49,224 | 17,98,52,541 | 12,84,21,345 |
| Earnings/ (loss) per share basic and diluted (in INR) (Face value of INR 1 each) | (23) | (36) | (47) | (48) | (27) |

Notes:

(a) There are potential equity shares as on 31 December 2024, 31 December 2023, 31 March 2024, 31 March 2023 and 31 March 2022 in the form of stock options issued. As these are antidilutive, they are ignored in the calculation of diluted earning per share and accordingly the diluted earning per share is the same as basic earning per share.

(b) The Company's Basic and Diluted Earnings Per Share (EPS) have been adjusted retrospectively on issuance of 18,088 bonus CCPS in line with Ind AS 33 "Earnings Per Share".

(c) The Board of Directors of the Company in its meeting held on 18 June 2024 and shareholders of the Company in the Extraordinary General Meeting held on 21 June 2024 approved the issuance of bonus equity share of INR 1 each in the ratio of 260:1 and 224:1 for the Equity shares of INR 1 each and for the equity shares of INR 37 each respectively and also approved the sub-division of 3,530 equity shares of INR 37 each into 1,30,610 equity shares of INR 1 each. The number of shares used for the calculation of earnings per share, and the earnings per share (including that in the comparative periods), have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

Note - 32 TAX EXPENSE

(a) Effective tax rate

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|--|--|-----------------------------|-----------------------------|-----------------------------|
| Restated loss before tax | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Tax @ 31.20% | (1,803) | (2,422) | (3,306) | (2,697) | (1,074) |
| Tax effect of : | | | | | |
| Expenses (allowed) / disallowed for tax, net | (1) | (14) | 21 | 3 | 4 |
| Deferred tax asset not recognised on account of absence of certainty on availability of future taxable profit | 1,752 | 2,343 | 3,220 | 2,498 | 961 |
| Others | 52 | 93 | 65 | 196 | 109 |
| Tax expense | - | - | - | - | - |

(b) Un-recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Deferred tax liabilities | | | | | |
| Property, plant and equipment | - | 67 | 43 | 306 | 215 |
| Right of use assets | 445 | 512 | 464 | 575 | 201 |
| | 445 | 579 | 507 | 881 | 416 |
| Deferred tax assets | | | | | |
| Property, plant and equipment | 75 | - | - | - | - |
| Carry forward business losses and unabsorbed depreciation | 9,948 | 7,549 | 8,286 | 5,301 | 2,956 |
| Lease liabilities | 508 | 549 | 540 | 590 | 212 |
| Provisions for employee benefits | 188 | 155 | 180 | 148 | 108 |
| Others | 129 | 100 | 152 | 273 | 73 |
| | 10,848 | 8,353 | 9,158 | 6,312 | 3,349 |
| Unrecognised deferred tax assets (net) | 10,403 | 7,774 | 8,651 | 5,431 | 2,933 |

The Company has not recognised deferred tax asset of INR 10,403 millions (31 December 2023: INR 7,774 million, 31 March 2024: INR 8,651 million, 31 March 2023: INR 5,431 million, 31 March 2022: INR 2,933 million) generated mainly on account of carried forward loss (including unabsorbed depreciation) as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

Note - 33 OPERATING SEGMENTS

The Company primarily operates in the automotive segment. The automotive segment includes all activities related to development, design, manufacture, assembly and sale of vehicles, as well as sale of related parts and accessories. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely automotive segment.

Geographical information

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--|--|-----------------------------|-----------------------------|-----------------------------|
| Revenue from contracts with customers | | | | | |
| India | 15,661 | 12,268 | 17,474 | 17,787 | 4,089 |
| Other countries | 128 | 36 | 64 | 22 | - |
| | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
| Non-current assets | | | | | |
| India | 8,685 | 6,380 | 6,688 | 6,508 | 5,129 |
| Other countries | - | - | - | - | - |
| | 8,685 | 6,380 | 6,688 | 6,508 | 5,129 |

Information about major customers

During the nine months ended 31 December 2024, no single customer accounted for more than 10% of total revenue (nine months ended 31 December 2023: one individual customer having revenue of INR 1,242 million which was aggregating to 10.1% of total revenues, during the year ended 31 March 2024: one individual customer having revenue of INR 1,832 million which was aggregating to 11% of total revenues, during the year ended 31 March 2023: one individual customer having revenue of INR 1,978 million which was aggregating to 11% of total revenues, during the year ended 31 March 2022: Nil).

Note - 34 EMPLOYEE BENEFIT PLANS

A. Contribution to provident fund (Defined contribution):

The Company make contributions to provident fund which is a defined contribution plan and the Company has no obligation other than to make the specified contributions. During the nine months ended 31 December 2024, the Company has charged INR 101 million (for the nine months ended 31 December 2023: INR 84 million, for the year ended 31 March 2024: INR 115 million, for the year ended 31 March 2023: INR 89 million, for the year ended 31 March 2022: INR 38 million) to the statement of profit and loss towards defined contribution plans.

B. Gratuity (Defined benefit plan):

The Company provides for gratuity for employees in India as per the Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination / death / disablement is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan of the Company is unfunded.

Changes in the present value of obligation

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-----------------------------|-----------------------------|-----------------------------|
| Present value of defined benefit obligation at the beginning of the period/year | 172 | 103 | 103 | 66 | 46 |
| Expenses recognised in restated statement of profit and loss | | | | | |
| Current service cost | 46 | 32 | 43 | 45 | 16 |
| Interest expense | 9 | 6 | 7 | 4 | 2 |
| Re-measurement or actuarial (gain) / loss arising from | | | | | |
| Demographic assumptions | - | - | 7 | - | - |
| Financial assumptions | 6 | 2 | 2 | (41) | (2) |
| Experience adjustments | 11 | 18 | 17 | 35 | 7 |
| Benefit payments | (13) | (6) | (7) | (6) | (3) |
| Present value of defined benefit obligation at the end of the period/year | 231 | 155 | 172 | 103 | 66 |
| Fair value of plan assets as at 31 December / 31 March | - | - | - | - | - |
| Net liability recognised in the Balance Sheet | 231 | 155 | 172 | 103 | 66 |
| Current portion of the above | 18 | 18 | 17 | 11 | 5 |
| Non current portion of the above | 213 | 137 | 155 | 92 | 61 |

Expense recognised in the Restated Statement of Profit and Loss

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|----------------------|---|---|-----------------------------|-----------------------------|-----------------------------|
| Current Service Cost | 46 | 32 | 43 | 45 | 16 |
| Net interest expense | 9 | 6 | 7 | 4 | 2 |
| | 55 | 38 | 50 | 49 | 18 |

Remeasurement effects recognised in Other Comprehensive Income

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|---|---|-----------------------------|-----------------------------|-----------------------------|
| Actuarial gains and loss arising form changes in financial assumptions | 6 | 2 | 2 | (41) | (2) |
| Actuarial gains and loss arising form demographic assumptions | - | - | 7 | - | - |
| Actuarial gains and loss arising form experience adjustments | 11 | 18 | 17 | 35 | 7 |
| | 17 | 20 | 26 | (6) | 5 |

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|------------------------|---|---------------------------|------------------------|------------------------|------------------------|
| Discount rate | 6.90% | 7.20% | 7.30% | 7.40% | 6.03% |
| Salary escalation rate | 10.00% | 10.00% | 10.00% | 10.00% | 15.00% |
| Attrition rate | 15.00% | 18.00% | 15.00% | 18.00% | 18.00% |
| Mortality rate | Indian Assured Lives Mortality (2012-14) Ultimate table | | | | |

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|------------------------|---|---|-----------------------------|-----------------------------|-----------------------------|
| Discount rate | | | | | |
| 100 bps Increase | (15) | (9) | (11) | (6) | (4) |
| 100 bps Decrease | 18 | 10 | 13 | 7 | 5 |
| Salary escalation rate | | | | | |
| 100 bps Increase | 13 | 7 | 10 | 6 | 4 |
| 100 bps Decrease | (12) | (8) | (9) | (5) | (3) |
| Attrition rate | | | | | |
| 25% Increase | (12) | (10) | (9) | (6) | (8) |
| 25% Decrease | 15 | 10 | 11 | 7 | 12 |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period/year.

Maturity profile of defined benefit obligation:

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---------------------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Within 1 year | 18 | 18 | 17 | 11 | 5 |
| 1-5 years | 113 | 84 | 83 | 57 | 27 |
| 5-10 years | 95 | 66 | 73 | 45 | 33 |
| 10 years and above | 194 | 94 | 148 | 64 | 45 |
| Weighted average duration | 7.14 years | 6.08 years | 6.98 years | 6.03 years | 7.99 years |

Note - 35 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Contingent liabilities | | | | | |
| (a) Claims against the Company not acknowledged as debt (Custom Duties, GST, Income tax & other litigation) (refer note below) | 608 | 3 | 9 | 3 | 2 |
| Capital Commitments | | | | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 508 | 417 | 406 | 280 | 209 |

Note : The Company received a pre -show cause intimation notice dated March 21, 2024 and subsequently a show cause notice dated April 16, 2024 (“SCN”) from the Office of the Assistant Commissioner, Chennai under section 73 of the Central and Goods Services Tax act read with rules and regulations, made thereunder. The GST department had taken up the scrutiny in accordance with the above section and observed discrepancies in the input tax credit availed for the Fiscal year 2022-2023 and raised a demand of INR 598 million. Against this demand, the Company filed a reply dated May 14, 2024 explaining the fact that input tax credit has been availed in accordance with law and which is also reconciled with annual return and hence there is no discrepancy. However, thereafter, an order was issued against the Company dated November 04, 2024 confirming the above stated demand. The Company has filed an application before the Assistant Commissioner, Nungambakkam, Tamil Nadu (“the AC”) for rectification of the order issued, on the grounds that the order has been passed without consideration of the submissions made. The Company doesn’t foresee the demand materialising as the allegations made are merely on the manner of disclosures made by the Company in the Annual return filed for the said fiscal period. The matter is currently pending further adjudication.

Note - 36 RELATED PARTY DISCLOSURES

List of related parties with whom transactions occurred during the nine months ended 31 December 2024 and 31 December 2023 and year ended 31 March 2024, 31 March 2023 and 31 March 2022 and/or has an outstanding balance as of 31 December 2024, 31 December 2023, 31 March 2024, or 31 March 2023, or 31 March 2022 and their relationship

Party which has significant influence

1. Hero MotoCorp Limited
2. Sachin Bansal (up to 17 May 2022)

Party over which Hero MotoCorp. Ltd has significant influence

1. Hero FinCorp Limited

Key Managerial Personnel (KMP)

1. Tarun Sanjay Mehta - Executive Director and Chief Executive Officer
2. Swapnil Babanlal Jain - Executive Director and Chief Technical Officer
3. Reeta Nathwani - Director (up to 29 November 2022)
4. Niranjan Kumar Gupta - Director
5. Nilesh Shrivastava - Director (w.e.f. 22 July 2022)
6. Pankaj Sood - Director (w.e.f. 11 November 2022)
7. Ram Kuppaswamy - Director (w.e.f. 27 January 2023)
8. Deepak Jain - Chief Financial Officer (up to 31 March 2024)
9. Sohil Parekh - Chief Financial Officer (w.e.f. 01 April 2024)
10. Raj Kiran Sitaramu Badavanahalli - Company Secretary (up to 31 July 2022)
11. Nakul Upadhyaya - Company Secretary (w.e.f. 01 August 2022 up to 10 November 2022)
12. Puja Aggarwal - Company Secretary (w.e.f. 26 April 2023)
13. Kaushik Dutta - Director (w.e.f. 06 May 2024)
14. Neelam Dhawan - Director (w.e.f. 27 August 2024)
15. Sanjay Nayak - Director (w.e.f. 27 August 2024)

Entity in which KMP / Relatives of KMP has significant influence

1. Mehta Family Trust
2. Tarun Swarna Family Trust
3. Swapnil Jain FamilyTrust
4. Jain Family Trust

| Related party transactions: | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-----------------------------|-----------------------------|-----------------------------|
| Issue of compulsorily convertible preference shares | | | | | |
| Hero MotoCorp Limited | - | 5,000 | 5,000 | 2,625 | - |
| Tarun Sanjay Mehta | 433 | - | - | - | - |
| Swapnil Babanlal Jain | 433 | - | - | - | - |
| Issue of Equity shares on exercise of right to subscribe | | | | | |
| Hero MotoCorp Limited | - | - | - | - | 49 |
| Sachin Bansal | - | - | - | - | 197 |
| Issue of bonus compulsorily convertible preference shares (refer note 16(i)) | | | | | |
| Hero MotoCorp Limited | - | 283 | 283 | - | - |
| Issue of equity shares on account of exercise of stock options (refer note 12.1.1(i)(a)) | | | | | |
| Tarun Sanjay Mehta | 107 | - | - | - | - |
| Swapnil Babanlal Jain | 107 | - | - | - | - |
| Settlement on account of exercise of stock options | | | | | |
| Tarun Sanjay Mehta | 54 | - | - | - | - |
| Swapnil Babanlal Jain | 54 | - | - | - | - |
| Issue of bonus equity shares (refer note 12.1.1(i)(b)) | | | | | |
| Hero MotoCorp Limited | 0 | - | - | - | - |
| Tarun Sanjay Mehta | 10 | - | - | - | - |
| Swapnil Babanlal Jain | 10 | - | - | - | - |
| Mehta Family Trust | 1 | - | - | - | - |
| Tarun Swarna Family Trust | 1 | - | - | - | - |
| Swapnil Jain Family Trust | 1 | - | - | - | - |
| Jain Family Trust | 1 | - | - | - | - |
| Issue of Compulsorily convertible preference shares on conversion of Compulsorily Convertible debentures | | | | | |
| Hero MotoCorp Limited | - | - | - | 1,500 | - |
| Issue of Compulsorily convertible debentures | | | | | |
| Hero MotoCorp Limited | - | - | - | - | 1,500 |
| Term loan taken | | | | | |
| Hero FinCorp Limited | - | - | - | 1,500 | 1,300 |
| Repayment of term loan | | | | | |
| Hero FinCorp Limited | 806 | 763 | 1,064 | 1,319 | 445 |
| Interest on Term loan* | | | | | |
| Hero FinCorp Limited | 74 | 172 | 216 | 175 | 253 |
| Finance charges on relinquishment of right to subscribe liability (refer note 16(ii)) | | | | | |
| Hero FinCorp Limited | 5 | - | - | - | - |
| Deposit given to / (refunded by) lender | | | | | |
| Hero FinCorp Limited | (24) | (295) | (295) | 295 | - |
| Interest subvention | | | | | |
| Hero FinCorp Limited | 2 | 3 | 3 | - | - |

| Related party transactions: | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|--|--|--------------------------------|--------------------------------|--------------------------------|
| Revenue from charging Infrastructure usage | | | | | |
| Hero MotoCorp Limited | 8 | - | 0 | - | - |
| Expense on charging infrastructure usage | | | | | |
| Hero MotoCorp Limited | 5 | 0 | 1 | - | - |
| Commission income | | | | | |
| Hero FinCorp Limited | - | 0 | 1 | - | - |
| Fair valuation impact/cancellation of right to subscribe liability | | | | | |
| Hero MotoCorp Limited | - | (84) | (84) | 367 | 19 |
| Hero FinCorp Limited | (25) | (12) | (12) | 22 | 10 |
| Sitting fee paid to Independent Directors | | | | | |
| Neelam Dhawan | 1 | - | - | - | - |
| Sanjay Nayak | 0 | - | - | - | - |
| Kaushik Dutta | 1 | - | - | - | - |
| Managerial remuneration paid to key managerial personnel | | | | | |
| Employee benefits** | 55 | 57 | 214 | 76 | 36 |
| Share based payments (refer note 25(a)) | 30 | 23 | 667 | 399 | 9 |
| Balances outstanding with respect to related parties | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
| Term Loan | | | | | |
| Hero FinCorp Limited | 271 | 1,377 | 1,076 | 2,140 | 1,944 |
| Interest accrued on long term debts | | | | | |
| Hero FinCorp Limited | 0 | 3 | 1 | 5 | 8 |
| Deposit with lender | | | | | |
| Hero FinCorp Limited | - | 55 | 24 | 350 | 55 |
| Receivable towards income accounted | | | | | |
| Hero MotoCorp Limited | 6 | - | 0 | - | - |
| Hero FinCorp Limited | 0 | - | 0 | - | - |
| Payable towards expenses accounted | | | | | |
| Hero MotoCorp Limited | 1 | - | 1 | - | - |
| Liability towards key managerial personnel** | | | | | |
| Employee benefits | - | - | 84 | - | - |
| Share based payments (refer note 25(a)) | 27 | 454 | 808 | 431 | 33 |
| Liability towards right to subscribe | | | | | |
| Hero MotoCorp Limited | - | - | - | 367 | - |
| Hero FinCorp Limited | - | 15 | 25 | 37 | 15 |

*Excludes INR 5 millions during nine months ended 31 December 2024 (nine months ended 31 December 2023: 13 million, year ended 31 March 2024: INR 16 millions, year ended 31 March 2023: INR 17 millions, year ended 31 March 2022: INR 10 million) charged to restated statement of profit & loss on account of effective interest rate calculation as per Ind AS.

**The Actuarial Valuation Report of Gratuity and Compensated absence liabilities are taken for the entire Company without any bifurcation to any specific employee, hence it is not included in related party transaction.

Note: All related party transactions were entered at an arm's length basis and in the ordinary course of business.

Note - 37 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

a) The carrying value of financial assets by categories is as follows:

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|------------------------------|---------------------------|---------------------------|---------------------------|
| Measured at fair value through statement of profit and loss (FVTPL) | | | | | |
| Investment in equity shares | - | - | - | - | 0 |
| Investment in mutual funds | 2,384 | 396 | 2,922 | 2,859 | 373 |
| Total | 2,384 | 396 | 2,922 | 2,859 | 373 |
| Measured at amortised cost | | | | | |
| Trade receivables | 103 | 13 | 16 | 12 | 10 |
| Cash and cash equivalents | 469 | 391 | 2,279 | 826 | 574 |
| Other balances with banks | 3,003 | 3,898 | 2,199 | 936 | 313 |
| Loans | 1 | 1 | 2 | - | - |
| Other financial assets | 1,838 | 3,901 | 1,323 | 3,898 | 487 |
| Total | 5,414 | 8,204 | 5,819 | 5,672 | 1,384 |

b) The carrying value of financial liabilities by categories is as follows:

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|------------------------------|---------------------------|---------------------------|---------------------------|
| Measured at fair value through statement of profit and loss (FVTPL) | | | | | |
| Stock appreciation rights | - | 249 | 350 | 415 | 175 |
| Right to subscribe | - | 30 | 44 | 617 | 49 |
| Total | - | 279 | 394 | 1,032 | 224 |
| Measured at amortised cost | | | | | |
| Borrowings | 11,216 | 2,990 | 3,149 | 4,852 | 2,984 |
| Lease liabilities | 1,630 | 1,758 | 1,628 | 1,864 | 665 |
| Trade payables | 4,121 | 2,231 | 4,027 | 3,837 | 1,209 |
| Other financial liability | 537 | 582 | 1,057 | 410 | 328 |
| Total | 17,504 | 7,561 | 9,861 | 10,963 | 5,186 |

The management assessed that carrying value of cash and cash equivalent, trade receivables, trade payables, other financial assets, other financial liability, lease liabilities and borrowings approximates their fair value largely due to short-term maturities of these instruments.

c) Fair value hierarchy

The section explains the judgement and estimates made in determining the fair value of the financial instruments that are:

a) recognised and measured at fair value.

b) measured at amortised cost and for which fair values are disclosed in the restated financial information.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels as mentioned under Indian accounting standards.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity share, quoted debt instruments and mutual fund investments. The fair values of investments in units of mutual fund are based on the Net Asset Value (NAV) as per the fund statement ;

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are certain Company's financial assets and liabilities which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets and liabilities are determined:

| Particulars | Fair value as at 31 December 2024 | | |
|--|-----------------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| Financial assets and measured at fair values | | | |
| Investments | 2,384 | - | - |
| Particulars | Fair value as at 31 December 2023 | | |
| | Level 1 | Level 2 | Level 3 |
| Financial assets and measured at fair values | | | |
| Investments | 396 | - | - |
| Financial liabilities and measured at fair values | | | |
| Stock appreciation rights | - | - | 249 |
| Right to subscribe | - | - | 30 |

| Particulars | Fair value as at 31 March 2024 | | |
|--|--------------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| Financial assets and measured at fair values | | | |
| Investments | 2,922 | - | - |
| Financial liabilities and measured at fair values | | | |
| Stock appreciation rights | - | - | 350 |
| Right to subscribe | - | - | 44 |

| Particulars | Fair value as at 31 March 2023 | | |
|--|--------------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| Financial assets and measured at fair values | | | |
| Investments | 2,859 | - | - |
| Financial liabilities and measured at fair values | | | |
| Stock appreciation rights | - | - | 415 |
| Right to subscribe | - | - | 617 |

| Particulars | Fair value as at 31 March 2022 | | |
|--|--------------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| Financial assets and measured at fair values | | | |
| Investments | 373 | - | 0 |
| Financial liabilities and measured at fair values | | | |
| Stock appreciation rights | - | - | 175 |
| Right to subscribe | - | - | 49 |

There were no transfers between level 1 and level 2 for recurring fair value measurements during the above period/years.

There were no significant inter-relationships between unobservable inputs that materially affects fair values.

Note 38 - FINANCIAL RISK MANAGEMENT FRAMEWORK

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. The Company is constantly evaluating micro and macro economic factors influencing the business including, economical, geo-political and other risks which may have a bearing on the business or operations. The Company is of the view that the impact of these risks would not have a material impact on the business in medium to long term business plans. The Company continuously monitor these risks and other developments to identify significant uncertainties.

A. CREDIT RISK

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies wherever available and if not available, the Company uses other publicly available financial information and its own trading records to rate its major customer. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The Company usually collects advances from the customers and hence these risk would not have material impact on the business.

Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in mutual funds, trade receivables and other financial assets. None of the financial instruments of the Company result in material concentrations of credit risks.

B. LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

| Particulars | Carrying value | Less than 1 Year | 1-5 Years | 5 years and above | Total |
|-------------------------------|----------------|------------------|--------------|-------------------|---------------|
| As at 31 December 2024 | | | | | |
| Trade Payable | 4,121 | 4,114 | 7 | 0 | 4,121 |
| Borrowings* | 11,216 | 10,088 | 1,704 | - | 11,792 |
| Lease liabilities | 1,630 | 415 | 1,101 | 1,116 | 2,632 |
| Other financial liabilities | 537 | 537 | - | - | 537 |
| | 17,504 | 15,154 | 2,812 | 1,116 | 19,082 |
| As at 31 December 2023 | | | | | |
| Trade Payable | 2,231 | 2,225 | 3 | 3 | 2,231 |
| Borrowings | 2,990 | 2,233 | 814 | - | 3,047 |
| Lease liabilities | 1,758 | 400 | 1,287 | 1,247 | 2,934 |
| Other financial liabilities | 861 | 861 | - | - | 861 |
| | 7,840 | 5,719 | 2,104 | 1,250 | 9,073 |
| As at 31 March 2024 | | | | | |
| Trade Payable | 4,027 | 4,027 | - | - | 4,027 |
| Borrowings | 3,149 | 3,107 | 320 | - | 3,427 |
| Lease liabilities | 1,628 | 383 | 1,229 | 1,082 | 2,694 |
| Other financial liabilities | 1,451 | 1,451 | - | - | 1,451 |
| | 10,255 | 8,968 | 1,549 | 1,082 | 11,599 |
| As at 31 March 2023 | | | | | |
| Trade Payable | 3,837 | 3,837 | - | - | 3,837 |
| Borrowings | 4,852 | 4,036 | 1,293 | - | 5,329 |
| Lease liabilities | 1,864 | 364 | 1,564 | 1,215 | 3,143 |
| Other financial liabilities | 1,442 | 1,442 | - | - | 1,442 |
| | 11,995 | 9,679 | 2,857 | 1,215 | 13,751 |
| As at 31 March 2022 | | | | | |
| Trade Payable | 1,209 | 1,209 | - | - | 1,209 |
| Borrowings | 2,984 | 2,157 | 1,229 | - | 3,386 |
| Lease liabilities | 665 | 135 | 543 | 426 | 1,104 |
| Other financial liabilities | 552 | 552 | - | - | 552 |
| | 5,410 | 4,053 | 1,772 | 426 | 6,251 |

* Borrowing includes compulsorily convertible preference shares of INR 6,000 million to be converted into equity shares on liquidation event (refer note 12.2.12(v))

C. MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

i. Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long term borrowings and short term borrowings with variable rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost

Interest rate risk exposure

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------|------------------------------|------------------------------|------------------------|------------------------|------------------------|
| Floating rate borrowings | 939 | 404 | 1,165 | 2,389 | 978 |

Sensitivity analysis

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-----------------------------|-----------------------------|-----------------------------|
| (Increase) or decrease in loss | | | | | |
| Interest rates – increase by 100 basis points (100 bps) | (7) | (3) | (12) | (24) | (10) |
| Interest rates – decrease by 100 basis points (100 bps) | 7 | 3 | 12 | 24 | 10 |

ii. Currency Risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's exposure to currency risk relates primarily to the Company's operating activities and borrowings when transactions are denominated in a different currency from the Company's functional currency.

Foreign currency sensitivity

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies. (+)/(-)1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens (+)/(-)1% against the relevant currency. For a 1% weakening of the rupees against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

| Particulars | USD | EURO | GBP | CHF |
|--|-------------|--------|--------|-----|
| As at 31 December 2024 | | | | |
| A. Exposure | | | | |
| In foreign currency (absolute numbers) | | | | |
| Trade payables | 65,59,783 | 29,754 | 20,000 | - |
| Trade receivable | 3,88,517 | - | - | - |
| Borrowings | 1,00,42,114 | - | - | - |
| In functional currency (INR millions) | | | | |
| Trade payables | 562 | 3 | 2 | - |
| Trade receivable | 33 | - | - | - |
| Borrowings | 860 | - | - | - |
| Increase or (decrease) in loss for the nine months ended 31 December 2024 | | | | |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR million) | | | | |
| Trade payables | 6 | 0 | 0 | - |
| Trade receivable | (0) | - | - | - |
| Borrowings | 9 | - | - | - |
| 1% Decrease (in functional currency, INR million) | | | | |
| Trade payables | (6) | (0) | (0) | - |
| Trade receivable | 0 | - | - | - |
| Borrowings | (9) | - | - | - |
| As at 31 December 2023 | | | | |
| A. Exposure | | | | |
| In foreign currency (absolute numbers) | | | | |
| Trade payables | 79,653 | 760 | 5,914 | 690 |
| Borrowings | 30,95,820 | - | - | - |
| In functional currency (INR millions) | | | | |
| Trade payables | 7 | 0 | 1 | 0 |
| Borrowings | 257 | - | - | - |

| Particulars | USD | EURO | GBP | CHF |
|--|-----------|-------|-----|-----|
| Increase or (decrease) in loss for the nine months ended 31 December 2023 | | | | |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR million) | | | | |
| Trade payables | 0 | 0 | 0 | 0 |
| Borrowings | 3 | - | - | - |
| 1% Decrease (in functional currency, INR million) | | | | |
| Trade payables | (0) | (0) | (0) | (0) |
| Borrowings | (3) | - | - | - |
| As at 31 March 2024 | | | | |
| A. Exposure | | | | |
| In foreign currency (absolute numbers) | | | | |
| Trade payables | 80,02,496 | 1,780 | - | - |
| Borrowings | 40,22,460 | - | - | - |
| In functional currency (INR in millions) | | | | |
| Trade payables | 667 | 0 | - | - |
| Borrowings | 335 | - | - | - |
| Increase or (decrease) in loss for the year ended 31 March 2024 | | | | |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR in million) | | | | |
| Trade payables | 7 | 0 | - | - |
| Borrowings | 3 | - | - | - |
| 1% Decrease (in functional currency, INR in million) | | | | |
| Trade payables | (7) | (0) | - | - |
| Borrowings | (3) | - | - | - |
| As at 31 March 2023 | | | | |
| A. Exposure | | | | |
| In foreign currency (absolute numbers) | | | | |
| Trade payables | 69,433 | 450 | - | 835 |
| Borrowings | 24,54,400 | - | - | - |
| In functional currency (INR in millions) | | | | |
| Trade payables | 6 | 0 | - | 0 |
| Borrowings | 203 | - | - | - |
| Increase or (decrease) in loss for the year ended 31 March 2023 | | | | |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR in million) | | | | |
| Trade payables | 0 | 0 | - | 0 |
| Borrowings | 2 | - | - | - |
| 1% Decrease (in functional currency, INR in million) | | | | |
| Trade payables | (0) | (0) | - | (0) |
| Borrowings | (2) | - | - | - |
| As at 31 March 2022 | | | | |
| A. Exposure | | | | |
| In foreign currency (absolute numbers) | | | | |
| Trade payables | 44,303 | 1,237 | - | - |
| Borrowings | - | - | - | - |
| In functional currency (INR in millions) | | | | |
| Trade payables | 3 | 0 | - | - |
| Borrowings | - | - | - | - |
| Increase or (decrease) in loss for the year ended 31 March 2022 | | | | |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR in million) | | | | |
| Trade payables | 0 | 0 | - | - |
| Borrowings | - | - | - | - |
| 1% Decrease (in functional currency, INR in million) | | | | |
| Trade payables | (0) | (0) | - | - |
| Borrowings | - | - | - | - |

iii. Other price risk

The Company's exposure to price risk arises from investment in mutual funds held by the Company. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio.

Note - 39 CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- to augment requisite resources for future infrastructure requirements

For the purpose of debt to total equity ratio, debt considered is long-term, short-term borrowings and current and non-current lease liabilities. Total equity comprise of issued share capital and all other equity reserves.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------------|------------------------------|------------------------|------------------------|------------------------|
| Total equity attributable to the equity shareholders | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| Compulsorily convertible preference share (refer note 12.2.12(v)) | 6,000 | - | - | - | - |
| Total Equity (a) | 7,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| Long term borrowings including current maturities | 349 | 1,516 | 1,201 | 2,315 | 2,297 |
| Short term borrowings | 860 | 257 | 1,035 | 2,193 | 687 |
| Non Convertible Debentures | 4,007 | 1,217 | 913 | 344 | - |
| Lease liabilities | 1,630 | 1,758 | 1,628 | 1,864 | 665 |
| Total debt (b) | 6,846 | 4,748 | 4,777 | 6,716 | 3,649 |
| Debt to equity ratio (b)/(a) | 0.97 | 0.56 | 0.88 | 1.09 | 1.62 |

Note : Compulsorily convertible preference shares of INR 6,000 millions issued during the period are classified as borrowings considering the terms of conversion agreed. However, these CCPS are to be compulsorily converted into equity shares on its liquidation event and hence the same has been considered as a part of total equity for computation of debt equity ratio.

Note - 40

As of balance sheet date, the Company has an aggregate sum of INR 4 million equivalent to USD 46,997 and EURO 450 (31 December 2023: INR 1 million equivalent to USD 8,773 and EURO 450, 31 March 2024: INR 1 million equivalent to USD 7,321 and EURO 450, 31 March 2023: INR Nil, 31 March 2022: INR 6 millions equivalent to USD 78,390 and EURO 7,367) payable to overseas Companies towards import of goods and services which are outstanding beyond the prescribed time limit for payment as per the extant Foreign Exchange Management Act (FEMA) regulations.

Note - 41 RATIOS

The following are analytical ratios for the nine months ended 31 December 2024 and 31 December 2023

| Ratio | Numerator | Denominator | 31 December 2024 | 31 December 2023 | % Variance | Reason for variance |
|--|--|---|------------------|------------------|------------|--|
| Current ratio - (no. of times) | Current assets | Current liabilities* | 1.25 | 1.77 | -29.38% | Decrease in mainly on account of increase in short term borrowing during the nine months ended 31 December 2024. |
| Debt-equity ratio - (no. of times) | Non-current borrowings (+) current borrowings (+) lease liability* | Total equity | 0.97 | 0.56 | 73.21% | Increase in debt-equity ratio mainly due to increase in borrowing during the period and reduction of total equity on account of losses for the period. |
| Debt service coverage ratio - (no. of times) | Profit/(loss) before depreciation + amortisation + finance costs + exceptional items and tax | Interest expenses + Principal repayments of long-term debt + payment of lease liabilities | (1.41) | (2.10) | -32.86% | Decrease is mainly on account of higher loss in the comparative period and increase in repayment of lease liabilities and increase in repayment on account of increased borrowings. |
| Return on equity ratio - (no. of times) | Loss for the year | Average Equity* | (1.22) | (1.41) | -13.48% | - |
| Inventory turnover ratio - (no. of times) | Cost of goods sold | Average inventory | 10.27 | 7.04 | 45.88% | Improvement in inventory turnover ratio is due to comparable reduction in average inventory held in stock during the nine months ended 31 December 2024. |
| Trade receivable turnover ratio - (no. of times) | Revenue from operations | Average trade receivables | 352.21 | 1,306.46 | -73.04% | Decrease in trade receivable turnover ratio is due to increase in average trade receivable during the period. |
| Trade Payable turnover ratio - (no. of times) | Total purchases & other expenses, other than non-cash expenses | Average accounts payable | 5.70 | 5.78 | -1.38% | - |
| Net capital turnover ratio - (no. of times) | Revenue from operations | Average working capital (i.e. Current assets (-) Current liabilities)* | 10.31 | 4.01 | 157.11% | Increase in working capital turnover ratio is mainly due to decrease in average working capital on account of increase in short term borrowing during the period and increase in revenue from operations during the period |
| Net profit/(loss) ratio (%) | Loss for the year | Revenue from operations | -36.60% | -63.10% | -42.00% | Mainly due to decrease in loss and increase in revenue from operation for the period. |
| Return on capital employed (%) | Earning before interest and tax | Capital employed (i.e. Tangible net worth + debt)* | -41.81% | -59.65% | -29.91% | The increase in return on capital employed is due to reduction in losses during the period. |
| Return on investment (%) | Net gain on disposal / fair valuation of investments carried at fair value through profit & loss | Time weighted average investment | 7.29% | 7.15% | 1.96% | - |

*Excluding compulsorily convertible preference shares of INR 6,000 millions issued during the period are classified as borrowings considering the terms of conversion agreed. However, these CCPS are to be compulsorily converted into equity shares on its liquidation event and hence the same has been considered as a part of total equity for computation of ratios (refer note 12.2.12(v)).

The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023

| Ratio | Numerator | Denominator | 31 March 2024 | 31 March 2023 | % Variance | Reason for variance |
|--|--|---|---------------|---------------|------------|---|
| Current ratio - (no. of times) | Current assets | Current liabilities | 1.14 | 1.28 | -11.00% | - |
| Debt-equity ratio - (no. of times) | Non-current borrowings (+) current borrowings (+) lease liability | Total equity | 0.88 | 1.09 | -20.04% | - |
| Debt service coverage ratio - (no. of times) | Profit/(loss) before depreciation + amortisation + finance costs + exceptional items and tax | Interest expenses + Principal repayments of long-term debt + payment of lease liabilities | (2.26) | (2.88) | -21.69% | - |
| Return on equity ratio - (no. of times) | Loss for the year | Average Equity | (1.83) | (2.06) | -11.36% | - |
| Inventory turnover ratio - (no. of times) | Cost of goods sold | Average inventory | 8.72 | 10.03 | -13.04% | - |
| Trade receivable turnover ratio - (no. of times) | Revenue from operations | Average trade receivables | 1,252.71 | 1,619.00 | -22.62% | - |
| Trade Payable turnover ratio - (no. of times) | Total purchases & other expenses, other than non-cash expenses | Average accounts payable | 4.71 | 8.86 | -46.79% | Mainly due to decrease in consumption and higher average payable during the year. |
| Net capital turnover ratio - (no. of times) | Revenue from operations | Average working capital (i.e. Current assets (-) Current liabilities) | 7.94 | 19.06 | -58.34% | Mainly due to increase in average net working capital during the year. |
| Net profit/(loss) ratio (%) | Loss for the year | Revenue from operations | -60.42% | -48.55% | 24.46% | - |
| Return on capital employed (%) | Earning before interest and tax | Capital employed (i.e. Tangible net worth + debt) | -118.69% | -69.95% | 69.69% | Mainly due to loss incurred during the year. |
| Return on investment (%) | Net gain on disposal / fair valuation of investments carried at fair value through profit & loss | Time weighted average investment | 7.58% | 5.99% | 26.54% | Mainly due to increase in average return on investments held during current year. |

Note - 41 RATIOS

The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022

| Ratio | Numerator | Denominator | 31 March 2023 | 31 March 2022 | % Variance | Reason for variance |
|--|--|---|---------------|---------------|------------|---|
| Current ratio - (no. of times) | Current assets | Current liabilities | 1.28 | 0.74 | 73.03% | Current ratio has increased during the year ended 31 March 2023 due to increase in inventories, short term investments of funding received during the year and balance with government authorities. |
| Debt-equity ratio - (no. of times) | Non-current borrowings (+) current borrowings (+) lease liability | Total equity | 1.09 | 1.62 | -32.55% | Decrease in debt to equity ratio during the year is due to additional shares issued during the year. |
| Debt service coverage ratio - (no. of times) | Profit/(loss) before depreciation + amortisation + finance costs + exceptional items and tax | Interest expenses + Principal repayments of long-term debt + payment of lease liabilities | (2.88) | (2.12) | 36.15% | Decrease in return on equity is due to losses incurred during the year ended 31 March 2023, despite issue of equity shares and compulsory convertible preference shares at premium. |
| Return on equity ratio - (no. of times) | Loss for the year | Average Equity | (2.06) | (1.15) | 80.06% | Due to increase in loss during the year ended 31 March 2023. |
| Inventory turnover ratio (no. of times) | Cost of goods sold | Average inventory | 10.03 | 6.54 | 53.41% | Improvement in inventory turnover ratio is due to increased operations and comparable reduction in inventory held in stock during the year ended 31 March 2023. |
| Trade receivable turnover ratio - (no. of times) | Revenue from operations | Average trade receivables | 1,619.00 | 817.80 | 97.97% | Improvement in trade receivable turnover ratio is due to increase in turnover. |
| Trade payable turnover ratio (no. of times) | Total purchases & other expenses, other than non-cash expenses | Average accounts payable | 8.86 | 5.53 | 60.37% | Consumption of higher material on account of increased volume of operations. |
| Net capital turnover ratio - (no. of times) | Revenue from operations | Average working capital (i.e. Current assets (-) Current liabilities) | 19.06 | (19.57) | -197.40% | Increase in working capital turnover ratio is due to increase in net working capital on account of increase in inventories, short term investment of additional funding received during the year, accumulation of balances with government authorities and is offset by increase in trade payables and short term borrowings. |
| Net profit/(loss) ratio (%) | Loss for the year | Revenue from operations | -48.55% | -84.16% | -42.32% | Increase in net Profit / (Loss) ratio is due to increase in operations of the Company during the year ended 31 March 2023 and related economies of scale. |
| Return on capital employed (%) | Earnings before interest and tax | Capital employed (i.e. Tangible net worth + debt) | -69.95% | -85.01% | -17.72% | - |
| Return on investment (%) | Net gain on disposal / fair valuation of investments carried at fair value through profit & loss | Time weighted average investment | 5.96% | 3.08% | 93.25% | Mainly due to increase in average return on investments held during current year. |

Note 42 : STOCK OPTION PLANS
A. Employee stock option plan (ESOP)

a. Details of the plan

| Areas | Details of the plan |
|--|---|
| Exercise of options while in employment | Liquidity Events /Cash settlement / Buy back / Purchase by Investor / IPO |
| Resignation / Termination other than due to Breach | Allowed to carry vested options till liquidity event |
| Retirement | Allowed to carry vested options till liquidity event |
| Death | Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event. |
| Termination due to permanent incapacity | Unvested option shall be vested immediately and allowed to carry vested options till liquidity event. |
| Abandonment | Vested and unvested options shall be cancelled. |
| Any other reasons | At the discretion of the Board. |
| Reconstruction | As defined in Liquidity event. |
| Lapse | Cash settlement / Buy back / Purchase by Investor / IPO/ Abandonment. |
| Lock in Period | Not applicable. |

b. Shares arising out of Employee stock option plan

| Particulars | As at 31 December 2024* | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|----------------------------|---------------------------|------------------------|------------------------|------------------------|
| Outstanding at the beginning | 46,579 | 38,835 | 38,835 | 30,891 | 22,929 |
| Granted/adjustment | 23,57,124 | 8,339 | 8,510 | 10,725 | 9,515 |
| Increased consequent to issue of bonus shares (refer note 12.1.1(i)(b))) | 1,39,78,777 | - | - | - | - |
| Exercised | - | - | - | - | - |
| Cancelled | (1,49,136) | (555) | (766) | (1,231) | (1,553) |
| Cash settled | - | - | - | (1,550) | - |
| Expired | - | - | - | - | - |
| Outstanding at the end of the period/year | 1,62,33,344 | 46,619 | 46,579 | 38,835 | 30,891 |
| Exercisable at the end of the period/year | 1,03,66,777 | 32,617 | 33,992 | 24,509 | 20,186 |
| Weighted average remaining contractual life | 2.66 years | 2.54 years | 2.40 years | 2.43 years | 3.49 years |

* Include impact of issue of bonus share

c. The fair value for the above stock options on the date of grant using the Black Scholes Merton Model with the following assumptions

| Particulars | As at 31 December 2024* | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------|----------------------------|---------------------------|------------------------|------------------------|------------------------|
| Weighted average share price (INR) | 1 to 299* | 1 to 78,008 | 1 to 78,008 | 1 to 78,008 | 1 to 73,824 |
| Exercise Price (INR) | 0.0038 to 1* | 1 | 1 | 1 | 1 |
| Expected Volatility | 35% | 35% | 35% | 40% | 50% |
| Expected life of the Options | 4-8 years | 5-7 years | 5-8 years | 5-8 years | 5-8 years |
| Expected Dividends (%) | 0% | 0% | 0% | 0% | 0% |
| Risk free interest rate (%) | 6.97% - 7.41% | 6.86%-7.50% | 6.86% - 7.11% | 6.32% - 7.19% | 5.42%- 6.16% |

* Include impact of issue of bonus share

B. Management stock option plan

a. Details of the plan

| Areas | Details of the plan |
|--|--|
| Exercise of options while in employment | Exit Event or IPO. |
| Resignation / Termination other than due to Breach | Options Lapse. |
| Retirement | Not defined. |
| Death | Allowed to carry vested options till exit event. |
| Termination due to permanent incapacity | Not defined. |
| Abandonment | Options Lapse. |
| Any other reasons | Not defined. |
| Reconstruction | As defined in Exit event. |
| Lapse | Resignation/ Termination due to breach. |
| Lock in Period | Not defined. |

b. Shares arising out of Management stock option

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Outstanding at the beginning | - | - | 46,598 | - | - |
| Granted/adjustment | - | 46,598 | - | 46,598 | - |
| Exercised | - | - | - | - | - |
| Cancelled | - | - | (46,598) | - | - |
| Cash settled | - | - | - | - | - |
| Expired | - | - | - | - | - |
| Outstanding at the end of the period/year | - | 46,598 | - | 46,598 | - |
| Exercisable at the end of the period/year | - | - | - | - | - |

Notes:

(a) For the nine months ended 31 December 2023 and year ended 31 March 2023, value of share price is calculated as per Black Scholes method and number of units that are expected to vest is calculated using Monte Carlo simulation.

(b) During the year ended 31 March 2024, the board, in its meeting dated 31 March 2024, has approved the cancellation of MSOP 2022 including all options granted and also approved the payment of lump sum cash consideration, based on the fair value of the said options cancelled, in lieu of cancellation of all options under MSOP 2022. On cancellation of MSOP 2022, INR 596 million has been accounted immediately in the statement of profit and loss for the year ended 31 March 2024 as an acceleration of vesting. On the date of such cancellation, the fair value of the options of INR 745 million settled in cash and is accounted as a deduction from other equity.

c. Assumptions used for actuarial valuation using the Black Scholes Merton Model

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Weighted average share price (INR) | - | 52,291 | - | 52,291 | - |
| Exercise Price (INR) | - | 1 | - | 1 | - |
| Expected Volatility | - | 54% | - | 54% | - |
| Expected life of the Options | - | 4.59 years | - | 4.59 years | - |
| Expected Dividends (%) | - | 0% | - | 0% | - |
| Risk free interest rate (%) | - | 7.00% | - | 7.00% | - |

C. Founders stock option (Equity settled)

a. Details of the plan

| Areas | Details of the plan |
|--|--|
| Exercise of options while in employment | Prior to a Liquidity event. |
| Resignation / Termination other than due to Breach | Allowed to carry vested options till liquidity event. |
| Retirement | Not applicable |
| Death | Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event |
| Termination due to permanent incapacity | Unvested options shall vest immediately allowed to carry vested options till liquidity event. |
| Abandonment | Options Lapse. |
| Any other reasons | At the discretion of the Board. |
| Reconstruction | As defined in Liquidity event. |
| Lapse | Termination due to breach. |
| Lock in Period | Not defined. |

b. Shares arising out of Founders stock option (Equity settled)

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Outstanding at the beginning | 3,476 | - | 3,476 | - | - |
| Increased consequent to issue of bonus shares (refer note 12.1.1(i)(b))) | 9,03,760 | - | - | - | - |
| Granted/adjustment | - | 3,476 | - | 3,476 | - |
| Exercised | (9,07,236) | - | - | - | - |
| Outstanding at the end of the period/year | - | 3,476 | 3,476 | 3,476 | - |
| Exercisable at the end of the period/year | - | 3,476 | 3,476 | 3,476 | - |

c. Assumptions used for actuarial valuation using the Black Scholes Merton Model

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Weighted average share price (INR) | - | 48,926 | 48,926 | 48,926 | - |
| Exercise Price (INR) | - | 1 | 1 | 1 | - |
| Expected Volatility | - | 40% | 40% | 40% | - |
| Expected life of the Options | - | 1.5 years | 1.5 years | 1.5 years | - |
| Expected Dividends (%) | - | 0% | 0% | 0% | - |
| Risk free interest rate (%) | - | 4.76% | 4.76% | 4.76% | - |

Note: In addition to ESOP, MSOP and FSOP, the Company has Nil options for the nine months ended 31 December 2024 (nine months ended 31 December 2023 : 2,403, 31 March 2024: 2,403, 31 March 2023 : 2,403: 31 March 2022:2,403) to be settled in equity under the share based payment arrangement entered with advisors in earlier years. The said 2,403 options were cancelled during the nine months ended 31 December 2024.

D. In addition to above, the Board of Directors vide their resolution dated 09 July 2024 allotted 74,148 Series F – CCPS of face value of INR 1 each with a premium of INR 11,673 per share and accounted as share based payments considering the terms of the issue of Series F CCPS in accordance "IND AS 102-Share-based Payment" under the head other equity.

E. Stock Appreciation Rights Plan 2020 ("Ather SARs 2020")

a. Details of the plan

| Areas | Details of the plan |
|--|--|
| Exercise of options while in employment | Cash Settlement on Liquidity Events. |
| Resignation / Termination other than due to Breach | Allowed to carry vested SARs till liquidity event. |
| Retirement | Allowed to carry vested SARs till liquidity event. |
| Death | Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event |
| Termination due to permanent incapacity | Unvested options shall vest immediately and allowed to carry vested options till liquidity event |
| Abandonment | Vested and unvested options shall be cancelled. |
| Any other reasons | At the discretion of the Committee. |
| Reconstruction | As defined in Liquidity event. |
| Lapse | Resignation/ Termination due to breach. |
| Lock in Period | Not applicable. |

b. Shares arising out of Ather SARs 2020

| Particulars | As at | As at | As at | As at | As at |
|--|------------------|------------------|-------------------|-------------------|-------------------|
| | 31 December 2024 | 31 December 2023 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Outstanding at the beginning | 3,752 | 3,588 | 3,588 | 3,588 | 3,343 |
| Increased consequent to issue of bonus shares (refer note 12.1.1(i)(b))) | 9,75,520 | - | - | - | - |
| Granted/adjustment | - | 164 | 164 | - | 245 |
| Settled / adjustment | (9,79,272) | - | - | - | - |
| Outstanding at the end of the period/year | - | 3,752 | 3,752 | 3,588 | 3,588 |
| Weighted average remaining contractual life | - | 1 years | 0.61 years | 1.38 years | 2.31 years |

Notes: The Board of Directors of our Company in its meeting held on June 18, 2024 and shareholders of our Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of INR 1 each in the ratio of 260:1 and 224:1 for the equity shares of INR 1 each and for the equity shares of INR 37 each respectively and also approved the sub-division of 3,530 equity shares of INR 37 each into 1,30,610 equity shares of INR 1 each. The conversion ratio of the Compulsory Convertible Preference Shares into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly

F. Founders stock option plan (Cash settled)**a. Details of the plan**

| Areas | Details of the plan |
|--|--|
| Exercise of options while in employment | Prior to a Liquidity event. |
| Resignation / Termination other than due to Breach | Allowed to carry vested options till liquidity event. |
| Retirement | Applicable. |
| Death | Unvested options shall vest immediately and nominee allowed to carry vested options till liquidity event |
| Termination due to permanent incapacity | Unvested options shall vest immediately allowed to carry vested options till liquidity event. |
| Abandonment | Options Lapse. |
| Any other reasons | At the discretion of the Board. |
| Reconstruction | As defined in Liquidity event. |
| Lapse | Termination due to breach. |
| Lock in Period | Not defined. |

b. Shares arising out of Founders stock option plan (Cash settled)

| Particulars | As at | As at | As at | As at | As at |
|--|------------------|------------------|---------------|---------------|---------------|
| | 31 December 2024 | 31 December 2023 | 31 March 2024 | 31 March 2023 | 31 March 2022 |
| Outstanding at the beginning | 1,738 | - | 1,738 | - | - |
| Increased consequent to issue of bonus shares (refer note 12.1.1(i)(b))) | 4,51,880 | - | - | - | - |
| Granted/adjustment | - | 1,738 | - | 1,738 | - |
| Settled / adjustment | (4,53,618) | - | - | - | - |
| Cancelled | - | - | - | - | - |
| Outstanding at the end of the period/year | - | 1,738 | 1,738 | 1,738 | - |

Note: In addition to above, the Company has Nil options for the nine months ended 31 December 2024 (nine months ended 31 December 2023: 164, year ended 31 March 2024 : 164, year ended 31 March 2023 : 164, year ended 31 March 2022 : 164) to be settled in cash under the share based payment arrangement entered with advisors in earlier years. The said 164 options were cancelled during the nine months ended 31 December 2024.

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to restated financial information

Note - 43

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest INR in million are given below as applicable:

| Balance Sheet | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---|---|---|---|---|
| ASSETS | | | | | |
| NON CURRENT ASSETS | | | | | |
| Capital work-in-progress | - | - | 2,58,232 | - | - |
| Financial assets | | | | | |
| -Investments | - | - | - | - | 5,700 |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Equity share capital | - | 2,41,640 | 2,41,640 | 2,41,640 | 2,41,440 |
| Restated statement of Cash Flows | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | For the year ended 31 March 2024 | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Adjustments under cash flow from operating activities | | | | | |
| Gain on sale of property, plant and equipment, net | (1,59,369) | - | - | - | - |
| Cash flows from investing activities | | | | | |
| Proceeds from disposal of property, plant and equipment | 3,60,595 | - | - | - | - |
| Reconciliation of cash and cash equivalents | | | | | |
| Cash on hand | - | - | - | - | 20,537 |

Statement of Changes in Equity: A. Equity share capital

| Particulars | Equity Shares of INR 1 each | | Equity Shares of INR 37 each | |
|---|-----------------------------|----------|------------------------------|------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| As at 01 April 2021 | 1,05,805 | 1,05,805 | 3,530 | 1,30,610 |
| Issue of equity share during the year | 5,025 | 5,025 | - | - |
| As at 31 March 2022 | 1,10,830 | 1,10,830 | 3,530 | 1,30,610 |
| As at 01 April 2022 | 1,10,830 | 1,10,830 | 3,530 | 1,30,610 |
| Issue of equity share during the year | 200 | 200 | - | - |
| As at 31 March 2023 | 1,11,030 | 1,11,030 | 3,530 | 1,30,610 |
| As at 01 April 2023 | 1,11,030 | 1,11,030 | 3,530 | 1,30,610 |
| Issue of equity share during the period | - | - | - | - |
| As at 31 December 2023 | 1,11,030 | 1,11,030 | 3,530 | 1,30,610 |
| As at 01 April 2023 | 1,11,030 | 1,11,030 | 3,530 | 1,30,610 |
| Issue of equity share during the year | - | - | - | - |
| As at 31 March 2024 | 1,11,030 | 1,11,030 | 3,530 | 1,30,610 |
| As at 01 April 2024 | 1,11,030 | 1,11,030 | 3,530 | 1,30,610 |
| Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note 12.1.1(i)(b)) | 1,30,610 | 1,30,610 | (3,530) | (1,30,610) |

Statement of Changes in Equity: B. Instruments entirely equity in nature - Compulsorily convertible preference shares (CCPS)

| Particulars | Compulsorily convertible preference shares of INR 1 each | |
|--|--|--------|
| | No. of Shares | Amount |
| As at 01 April 2021 | 74,732 | 74,732 |
| Issue of compulsorily convertible preference share during the year | - | - |
| As at 31 March 2022 | 74,732 | 74,732 |
| As at 01 April 2022 | 74,732 | 74,732 |
| Issue of compulsorily convertible preference share during the year | - | - |
| As at 31 March 2023 | 74,732 | 74,732 |
| As at 01 April 2023 | 74,732 | 74,732 |
| Issue of compulsorily convertible preference share during the period | - | - |
| As at 31 December 2023 | 74,732 | 74,732 |
| As at 01 April 2023 | 74,732 | 74,732 |
| Issue of compulsorily convertible preference share during the year | - | - |
| As at 31 March 2024 | 74,732 | 74,732 |
| As at 01 April 2024 | 74,732 | 74,732 |
| Issue of compulsorily convertible preference shares during the period (refer note 12.2.11 and 12.2.12) | - | - |
| As at 31 December 2024 | 74,732 | 74,732 |

Statement of Changes in Equity: D. Other equity

| Particulars | Reserves and Surplus | | | Total |
|--|----------------------|--------------------|-----------------------------------|------------|
| | Retained earnings | Securities Premium | Stock Options Outstanding Account | |
| Issue of bonus compulsorily convertible preference shares during the period ended 31 December 2023 (refer note 13(a) and note 16(i)) | - | (1,80,880) | - | (1,80,880) |
| Issue of bonus compulsorily convertible preference shares during the 2023-24 (refer note 13(a) and note 16(i)) | - | (1,80,880) | - | (1,80,880) |

Note No. 2 (a)

PROPERTY, PLANT AND EQUIPMENT

| Particulars | Plant & Machinery | Furniture and Fittings | Vehicles | Office Equipment | Electronic Equipment |
|--|-------------------|------------------------|------------|------------------|----------------------|
| Gross Carrying Amount | | | | | |
| Disposals during 2021-22 | - | - | - | (3,46,031) | (3,84,600) |
| Disposals during the period 01 April 2024 to 31 December 2024 | - | (2,10,999) | - | (1,98,290) | - |
| Accumulated depreciation and impairment | | | | | |
| Depreciation during 2021-22 | - | 2,26,884 | 2,54,311 | - | - |
| Reversal of accumulated depreciation on disposal during 2021-22 | - | - | - | (2,24,140) | (1,88,612) |
| Reversal of accumulated depreciation on disposal during 2022-23 | - | - | (4,54,453) | - | - |
| Reversal of accumulated depreciation on disposal during 2023-24 | - | (3,86,066) | - | - | (1,84,582) |
| Reversal of accumulated depreciation on disposal during the period 01 April 2023 to 31 December 2023 | - | - | (94,129) | - | - |
| Reversal of accumulated depreciation on disposal during the period 01 April 2024 to 31 December 2024 | - | (79,223) | - | (13,313) | - |

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to restated financial information

Note - 43

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest INR in million are given below as applicable:

Note No. 2 (c)

CAPITAL WORK-IN-PROGRESS

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Balance at the beginning of the period | 2,75,938 | - | - | - | - |
| Balance at the end of the Period | - | - | 2,58,232 | - | - |

Capital work-in-progress (CWIP) ageing as at 31 March 2024

| Particulars | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-----------|-----------------|
| | < 1 year | 1-2 years | 2-3 years | > 3 years | |
| Projects in progress | 2,58,232 | - | - | - | 2,58,232 |
| Total | 2,58,232 | - | - | - | 2,58,232 |

Note No. 2 (d)

INTANGIBLE ASSETS

| Particulars | Website | Software | Patents & Other IP Rights | Product Development (Internally generated) | Total |
|------------------------------|---------|------------|------------------------------|---|------------|
| Gross Carrying Amount | | | | | |
| Disposals during 2021-22 | - | (4,46,533) | - | - | (4,46,533) |

Note - 3 INVESTMENTS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Non-Current | | | | | |
| Investments in equity instruments (unquoted, carried at fair value through profit and loss) | | | | | |
| Investments in equity shares of M/S Autovert Technologies Private Limited | - | - | - | - | 5,700 |
| Nil units (31st March 2023:Nil, 31st March 2022:570) shares of INR 10 each | - | - | - | - | 5,700 |

Note - 4 OTHER FINANCIAL ASSETS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Non-current | | | | | |
| Term deposits* (with original maturity of more than 12 months) | - | - | 57,000 | - | - |

Note - 5 INVENTORIES

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|------------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Work-in-progress | - | - | 3,55,972 | - | - |

Note - 7 TRADE RECEIVABLES

Trade receivables ageing as at 31 March 2024

| Particulars | Outstanding for the following periods from transaction date | | | | | |
|-------------------|---|--------------------|-------------------|-----------|-----------|-------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |
| Undisputed | | | | | | |
| - Considered good | - | - | 4,66,172 | - | - | - |

Trade receivables ageing as at 31 March 2023

| Particulars | Outstanding for the following periods from transaction date | | | | | |
|-------------------|---|--------------------|-------------------|-----------|-----------|-------------------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |
| Undisputed | | | | | | |
| - Considered good | - | - | 55,333 | - | - | - |

Note - 8 CASH AND CASH EQUIVALENTS

| | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|--------------|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Cash on hand | - | - | - | - | 20,537 |
| | - | - | - | - | 20,537 |

Note - 43

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest INR in million are given below as applicable:

Note - 12 EQUITY SHARE CAPITAL AND INSTRUMENT ENTIRELY EQUITY IN NATURE

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|------------------------|----------|------------------------|----------|---------------------|----------|---------------------|----------|---------------------|----------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Authorised Capital | | | | | | | | | | |
| Equity share capital | | | | | | | | | | |
| Equity Shares of INR 1 each. | - | - | 2,87,158 | 2,87,158 | 2,87,158 | 2,87,158 | 2,87,158 | 2,87,158 | 2,87,158 | 2,87,158 |
| Equity shares of INR 37 each | - | - | 3,530 | 1,30,610 | 3,530 | 1,30,610 | 3,530 | 1,30,610 | 3,530 | 1,30,610 |
| Preference share capital | | | | | | | | | | |
| Series A Compulsorily Convertible Preference Shares of INR 1 each | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 |
| Series B1 Compulsorily Convertible Preference Shares of INR 10 each | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 |
| Series C Compulsorily Convertible Preference Shares of INR 10 each | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 33,563 | 3,35,630 |
| Series C1 Compulsorily Convertible Preference Shares of INR 10 each | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 30,264 | 3,02,640 |
| Series F Compulsorily Convertible Preference Shares of INR 1 each | 74,148 | 74,148 | - | - | - | - | - | - | - | - |

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|--|------------------------|----------|------------------------|----------|---------------------|----------|---------------------|----------|---------------------|----------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Issued, Subscribed and Paid up Share Capital | | | | | | | | | | |
| Equity Share Capital (refer note 12.1 below) | | | | | | | | | | |
| Equity Shares of INR 1 each. | - | - | 1,11,030 | 1,11,030 | 1,11,030 | 1,11,030 | 1,11,030 | 1,11,030 | 1,10,830 | 1,05,805 |
| Equity shares of INR 37 each | - | - | 3,530 | 1,30,610 | 3,530 | 1,30,610 | 3,530 | 1,30,610 | 3,530 | 1,30,610 |
| Preference Share Capital (instrument entirely equity in nature) (refer note 12.2 below) | | | | | | | | | | |
| Series A Compulsorily Convertible Preference Shares of INR 1 each | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 |
| Series B1 Compulsorily Convertible Preference Shares of INR 10 each | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 |
| Series C Compulsorily Convertible Preference Shares of INR 10 each | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 |
| Series C1 Compulsorily Convertible Preference Shares of INR 10 each | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 |
| Compulsorily Convertible Preference Shares of INR 10 each | 18,088 | 1,80,880 | 18,088 | 1,80,880 | 18,088 | 1,80,880 | - | - | - | - |

12.1. Equity share capital

12.1.1 Equity Shares of INR 1 each Fully paid up. (refer note below)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|------------------------|-----------------|------------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 1,11,030 | 1,11,030 | 1,11,030 | 1,11,030 | 1,11,030 | 1,11,030 | 1,10,830 | 1,10,830 | 1,05,805 | 1,10,830 |
| Add: Issue of equity shares by sub-division of face value from INR 37 to INR 1 (refer note (b) below) | 1,30,610 | 1,30,610 | - | - | - | - | 200 | 200 | 5,025 | 200 |
| Closing Balance | 2,41,640 | 2,41,640 | 1,11,030 | 1,11,030 | 1,11,030 | 1,11,030 | 1,11,030 | 1,11,030 | 1,10,830 | 1,11,030 |

12.1.2 Equity Shares of INR 37 each

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|------------------------|------------|------------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 3,530 | 1,30,610 | 3,530 | 1,30,610 | 3,530 | 1,30,610 | 3,530 | 1,30,610 | 3,530 | 1,30,610 |
| Less: Transfer to equity shares of INR 1 each post sub-division (refer note 12.1.1(i)(b)) | (1,30,610) | (1,30,610) | - | - | - | - | - | - | - | - |
| Closing Balance | - | - | 3,530 | 1,30,610 | 3,530 | 1,30,610 | 3,530 | 1,30,610 | 3,530 | 1,30,610 |

12.2 Instruments entirely equity in nature - Compulsorily convertible preference shares (CCPS).

12.2.2 Series A Compulsorily Convertible Preference Shares of INR 1 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|-----------------|------------------------|---------------|------------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 |
| Closing Balance | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 | 74,732 |

12.2.4 Series B1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|-----------------|------------------------|-----------------|------------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 |
| Closing Balance | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 | 29,347 | 2,93,470 |

12.2.5 Series C Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|-----------------|------------------------|-----------------|------------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 |
| Closing Balance | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 | 29,699 | 2,96,990 |

12.2.6 Series C1 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|-----------------|------------------------|-----------------|------------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 |
| Closing Balance | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 | 20,688 | 2,06,880 |

Note - 43

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest INR in million are given below as applicable:

12.2.8 Series E Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|--|------------------------|--------|------------------------|--------|---------------------|--------|---------------------|----------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Compulsorily Convertible Debentures converted into Series E CCPS | - | - | - | - | - | - | 30,658 | 3,06,580 | - | - |

12.2.11 Series F Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|------------------------------------|------------------------|--------|------------------------|--------|---------------------|----------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Bonus share issued during the year | - | - | - | - | 18,088 | 1,80,880 | - | - | - | - |
| Add: Issued during the period/year | 74,148 | 74,148 | - | - | - | - | - | - | - | - |
| Closing Balance | 74,148 | 74,148 | - | - | 18,088 | 1,80,880 | - | - | - | - |

12.2.12 Compulsorily Convertible Preference Shares of INR 10 each (CCPS)

(i) Reconciliation of shares outstanding at the beginning and at the end of reporting period/year

| Particulars | As at 31 December 2024 | | As at 31 December 2023 | | As at 31 March 2024 | | As at 31 March 2023 | | As at 31 March 2022 | |
|---|------------------------|----------|------------------------|----------|---------------------|----------|---------------------|--------|---------------------|--------|
| | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount | No of Shares | Amount |
| Opening Balance* (refer note 12.2.12(ii) below) | 18,088 | 1,80,880 | - | - | - | - | - | - | - | - |
| Add: Issued during the period (Series G) (refer note 12.2.12(v) and (vi) below) | - | - | 18,088 | 1,80,880 | 18,088 | 1,80,880 | - | - | - | - |

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to restated financial information

Note - 43

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest INR in million are given below as applicable:

Note - 13 OTHER EQUITY

| | As at 31 December 2024 | As at 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| (i) Securities Premium | | | | | |
| Add : Issue of bonus compulsorily convertible preference shares during the period/year (refer note (a) below and note 16(i)) | - | (1,80,880) | - | (1,88,080) | - |

Note - 17 PROVISIONS

| | As at 31 December 2024 | As at 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| (b) Movement of site-restoration expense | | | | | |
| Unused amounts reversed during the period | - | (4,10,000) | - | - | - |

Note - 19 TRADE PAYABLES

(a) Trade Payables ageing as at 31 December 2024

| Particulars | Outstanding for the following periods from transaction date | | | | |
|-------------------|---|------------------|-----------|-----------|-------------------|
| | Not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years |
| Undisputed | | | | | |
| - MSME | - | - | - | - | - |
| - Others | - | - | - | 1,19,606 | 2,13,922 |

(b) Trade Payables ageing as at 31 December 2023

| Particulars | Outstanding for the following periods from transaction date | | | | |
|-------------------|---|------------------|-----------|-----------|-------------------|
| | Not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years |
| Undisputed | | | | | |
| - MSME | - | - | 27,384 | 358 | 1,07,741 |

(c) Trade Payables ageing as at 31 March 2024

| Particulars | Outstanding for the following periods from transaction date | | | | |
|-------------------|---|------------------|-----------|-----------|-------------------|
| | Not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years |
| Undisputed | | | | | |
| - MSME | - | - | 2,50,427 | - | - |
| - Others | - | - | - | 27,193 | 1,89,595 |

(d) Trade Payables ageing as at 31 March 2023

| Particulars | Outstanding for the following periods from transaction date | | | | |
|-------------------|---|------------------|-----------|-----------|-------------------|
| | Not due | Less than 1 year | 1-2 Years | 2-3 years | More than 3 years |
| Undisputed | | | | | |
| - MSME | - | - | 5,486 | - | 1,04,038 |
| - Others | - | - | - | - | - |

(f) Relationship with struck off Companies

| Transactions during the period/year | Nature of transactions | Relationship | As at 31 December 2024 | As at 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|------------------------|--------------|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| Chai Kahani Cafes And Services P. Ltd. | Service charges | Vendor | - | 35,746 | - | 35,746 | - |
| Touch Stream Solutions Private Ltd. | Service charges | Vendor | - | - | - | - | 10,730 |

Note - 21 OTHER INCOME

| | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-----------------------------|-----------------------------|-----------------------------|
| Gain on sale of Property, Plant and Equipment | 1,59,369 | - | - | - | - |

Note - 24 CHANGE IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

| | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|---|---|-----------------------------|-----------------------------|-----------------------------|
| - Stock-in-trade capitalised | - | - | - | (1,57,016) | - |
| Inventories at the beginning of the period/year | | | | | |
| - Work-in-progress | 3,55,792 | - | - | - | - |
| Inventories at the end of the period/year | | | | | |
| - Work-in-progress | - | - | 3,55,792 | - | - |

Note - 26 FINANCE COSTS

| | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-----------------------------|-----------------------------|-----------------------------|
| Exchange differences regarded as an adjustment to borrowing costs | - | - | - | 3,55,039 | - |

Ather Energy Limited (formerly known as Ather Energy Private Limited)
Notes to restated financial information

Note - 43

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest INR in million are given below as applicable:

| Note - 28 OTHER EXPENSES | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---------------------------------|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Sundry balances written off | - | - | - | 4,82,520 | 4,67,304 |
| Payment to auditors | | | | | |
| - Reimbursement | 3,76,526 | 3,49,019 | 2,65,997 | - | - |

| Note - 36 RELATED PARTY DISCLOSURES | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Issue of bonus equity shares | | | | | |
| Hero MotoCorp Limited | 2,85,480 | - | - | - | - |
| Expense on charging infrastructure usage | | | | | |
| Hero MotoCorp Limited | - | 11,670 | - | - | - |
| Commission income | | | | | |
| Hero FinCorp Limited | - | 89,993 | - | - | - |
| Sitting fee paid to Independent Directors | | | | | |
| Sanjay Nayak | 4,00,000 | - | - | - | - |
| Revenue from charging infrastructure usage | | | | | |
| Hero MotoCorp Limited | - | - | 4,14,174 | - | - |

| Balances outstanding with respect to related parties | As at 31 December 2024 | As at 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|---|-----------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Interest accrued on long term debts | | | | | |
| Hero FinCorp Limited | 1,37,713 | - | - | - | - |
| Receivable towards income accounted | | | | | |
| Hero MotoCorp Limited | - | - | 4,50,994 | - | - |
| Hero FinCorp Limited | 28,882 | - | 1,56,038 | - | - |

Note - 37 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

a) The carrying value of financial assets by categories is as follows:

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Measured at fair value through statement of profit and loss (FVTPL) | | | | | |
| Investment in equity shares | - | - | - | - | 5,700 |
| | - | - | - | - | 5,700 |

There are certain Company's financial assets and liabilities which are measured at fair value at the end of each reporting period. Following table gives information about how the fair values of these financial assets and liabilities are determined:

| Particulars | Fair value as at 31 March 2022 | | |
|---|---------------------------------------|----------------|----------------|
| | Level 1 | Level 2 | Level 3 |
| Financial assets and measured at fair values | | | |
| Investments | - | - | 5,700 |

Note - 43

The financial statements are presented in INR in million. Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest INR in million are given below as applicable:

Note - 38 FINANCIAL RISK MANAGEMENT FRAMEWORK

B. LIQUIDITY RISK

(ii) Maturities of financial liabilities

| Particulars | Carrying value | Less than 1 Year | 1-5 Years | 5 years and above | Total |
|-------------------------------|----------------|------------------|-----------|-------------------|-------|
| As at 31 December 2024 | | | | | |
| Trade Payable | - | - | - | 37,837 | - |

Foreign currency sensitivity

| Particulars | USD | EURO | GBP | CHF |
|--|------------|----------|----------|--------|
| As at 31 December 2024 | | | | |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR) | | | | |
| Trade payables | - | 26,506 | 21,493 | - |
| Trade receivable | 3,32,661 | - | - | - |
| 1% Decrease (in functional currency, INR) | | | | |
| Trade payables | - | (26,506) | (21,493) | - |
| Trade receivable | (3,32,661) | - | - | - |
| As at 31 December 2023 | | | | |
| A. Exposure | | | | |
| In functional currency (INR) | | | | |
| Trade payables | - | 69,924 | - | 68,070 |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR) | | | | |
| Trade payables | 66,205 | 699 | 6,275 | 681 |
| 1% Decrease (in functional currency, INR) | | | | |
| Trade payables | (66,205) | (699) | (6,275) | (681) |
| As at 31 March 2024 | | | | |
| A. Exposure | | | | |
| In functional currency (INR) | | | | |
| Trade payables | - | 1,60,567 | - | - |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR) | | | | |
| Trade payables | - | 1,606 | - | - |
| 1% Decrease (in functional currency, INR) | | | | |
| Trade payables | - | (1,606) | - | - |
| As at 31 March 2023 | | | | |
| A. Exposure | | | | |
| In functional currency (INR) | | | | |
| Trade payables | - | 39,096 | - | 57,724 |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR) | | | | |
| Trade payables | 57,301 | 391 | - | 577 |
| 1% Decrease (in functional currency, INR) | | | | |
| Trade payables | (57,301) | (391) | - | (577) |
| As at 31 March 2022 | | | | |
| A. Exposure | | | | |
| In functional currency (INR) | | | | |
| Trade payables | - | 1,04,013 | - | - |
| B. Sensitivity analysis | | | | |
| 1% Increase (in functional currency, INR) | | | | |
| Trade payables | 33,630 | 1,040 | - | - |
| 1% Decrease (in functional currency, INR) | | | | |
| Trade payables | (33,630) | (1,040) | - | - |

Note 44: Events after reporting period:

According to the management's evaluation at events subsequent to the balance sheet date, there were no significant adjusting events that occurred other than those disclosed/given effect to, in these restated financial information as of 31 December 2024.

Note 45

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Note 46 : Other statutory disclosures

A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall;

- i. 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
- ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

B. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;

- i. 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
- ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Note 47

As at 31 December 2024 there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Note 48

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial period/year.

Note 49

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial period/year.

Note 50

There is no income surrendered or disclosed as income during the current period/year or previous period/year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

Note 51: Statement of adjustment to restated financial information:

Part A: Reconciliation between audited equity and restated equity:

| Particulars | As at 31 December 2024 | As at 31 December 2023 | As at 31 March 2024 | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------------|---------------------------|------------------------|------------------------|------------------------|
| Total equity as per audited financial statements | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| Restatement adjustments | - | - | - | - | - |
| Restated equity as per restated statement of assets and liabilities | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |

Part B: Reconciliation between audited loss and restated loss:

| Particulars | For the nine months ended 31 December 2024 | For the nine months ended 31 December 2023 | Year ended 31 March 2024 | Year ended 31 March 2023 | Year ended 31 March 2022 |
|--|--|--|-----------------------------|-----------------------------|-----------------------------|
| Loss for the period/year as per audited financial statements | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Restatement adjustments | - | - | - | - | - |
| Restated loss for the period/year as per restated statement of profit and loss | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |

Part C: Reclassification and regrouping:

Appropriate re-groupings have been made in the restated statement of assets and liabilities, restated statement of profit and loss and restated statement of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the restated financial information of the Company for the period ended 31 December 2024 respectively prepared in accordance with amended Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

For and on behalf of Board of Directors of Ather Energy Limited (Formerly known as Ather Energy Private Limited)

Tarun Sanjay Mehta
Executive Director and Chief Executive Officer
DIN: 06392463

Swapnil Babanlal Jain
Executive Director and Chief Technical Officer
DIN: 06682759

Sohil Dilipkumar Parekh
Chief Financial Officer

Puja Aggarwal
Company Secretary and Compliance Officer
Membership No.:A49310

Date: 3 February 2025
Place: Bengaluru

OTHER FINANCIAL INFORMATION

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below.

| (in ₹ million, other than per share data) | | | | | |
|---|---------------------------------------|---------------------------------------|-------------|-------------|-------------|
| Particulars | Nine months ended December 31, 2024** | Nine months ended December 31, 2023** | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
| Loss per Equity Share - Basic (in ₹) ^{(1)*} | (23) | (36) | (47) | (48) | (27) |
| Loss per Equity Share - Diluted (in ₹) ^{(2)*} | (23) | (36) | (47) | (48) | (27) |
| Return on Net Worth (RoNW) (%) ⁽³⁾ | (535%) | (92%) | (194) | (141) | (153) |
| Net Asset Value per Equity Share (in ₹) ^{(4)*} | 4 | 39 | 24 | 34 | 18 |
| EBITDA ⁽⁵⁾ | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |

* The Board of Directors of our Company in its meeting held on June 18, 2024 and Shareholders of our Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 130,610 equity shares of ₹ 1 each. The conversion ratio of the CCPS into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly. The number of shares used for the calculation of earnings per share and net asset value per share have been adjusted for pursuant to Paragraph 64 of Ind AS 33 – “Earnings Per Share”, prescribed under Section 133 of the Companies Act, 2013”.

**Not annualised.

A. Notes:

- (1) Basic EPS is calculated as loss for the period/year attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the period/year.
 - (2) Diluted EPS is calculated as loss for the period/year attributable to owners of our Company divided by the weighted average number of Equity Shares outstanding during the period/year adjusted for the effects of all dilutive potential Equity Shares.
 - (3) RoNW is calculated as Loss for the period/year divided by the net worth at the end of the respective year.
 - (4) Net Asset Value per Equity Share (in ₹) is computed as Net Worth at the end of the year divided by weighted average number of Equity Shares outstanding during the period/year.
 - (5) EBITDA is calculated as Loss before exceptional items and tax reduced by Finance costs and Depreciation and amortisation expenses.
- B. Net-worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- C. Weighted average number of equity shares (including equivalent number of equity shares on conversion of instruments entirely equity in nature) is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the period/year 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 total number of days during the period/year
- D. Earnings per share calculations are in accordance with Ind AS 33 “Earnings per share.”

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company, for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 together with all the annexures, schedules and notes thereto (“**Audited Financial Statements**”) are available on our website at <https://www.atherenergy.com/investor-relations/financials>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company or any entity in which it or its shareholders may have significant influence and should not be relied upon or used as a basis for any investment decision. Neither the Company or any of its advisors, nor any of the BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents, trustees or representatives

accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Standalone Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards i.e. Ind AS 24 ‘Related Party Disclosures’ for the for the nine months ended December 31, 2024 and December 31, 2023 and Financial Years ended March 31, 2024, March 31, 2023, March 31, 2022 and as reported in the Restated Financial Information, see “*Restated Financial Information – Notes forming part of the Restated Financial Information – Note 36 – Related Party disclosures*” on page 411.

Reconciliation of Non-GAAP Measures

Reconciliation for the following non-GAAP financial measures included in this Red Herring Prospectus, are as set out below:

| Particulars | Nine months ended | | Fiscal Year | | |
|--|-------------------|-------------------|-------------|---------|---------|
| | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 |
| Adjusted Gross Margin (₹ million) ⁽¹⁾ | 3,045 | 1,098 | 1,573 | 2,064 | 300 |
| Adjusted Gross Margin (%) ⁽²⁾ | 19% | 9% | 9% | 11% | 7% |
| EBITDA (₹ million) ⁽³⁾ | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |
| EBITDA Margin (%) ⁽⁴⁾ | (23%) | (34%) | (36%) | (38%) | (62%) |
| Profit / (Loss) for the year/ period margin (%) ⁽⁵⁾ | (36%) | (62%) | (59%) | (48%) | (83%) |
| Net Worth (₹ million) ⁽⁶⁾ | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| RoNW (%) ⁽⁷⁾ | (535%) | (92%) | (194%) | (141%) | (153%) |
| NAV per Equity Share (₹) ⁽⁸⁾ | 4 | 39 | 24 | 34 | 18 |
| Cost of Goods Sold (₹ million) ⁽⁹⁾ | 13,129 | 11,439 | 16,318 | 15,954 | 3,838 |
| Working Capital Days ⁽⁹⁾ | (48) | (21) | (46) | (21) | (33) |

Notes:

(1) Adjusted Gross Margin is calculated as total income reduced by Cost of materials consumed, Purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress.

(2) Adjusted Gross Margin (%) is calculated as adjusted gross margin (₹) divided by total income.

(3) EBITDA is calculated as Loss before exceptional items and tax reduced by Finance costs and Depreciation and amortisation expenses.

(4) EBITDA Margin (%) is calculated as EBITDA divided by Total Income

(5) Profit / (Loss) for the period/year margin (%) is calculated as Profit / (Loss) for the period/year divided by Total income

(6) Net-worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(7) RoNW (%) is calculated as Loss for the period/year divided by the net worth at the end of the respective period/year.

(8) NAV per Equity Share is calculated as Net Worth at the end of the period/year divided by weighted average number of Equity Shares outstanding during the period/year.

(9) Working Capital Days is computed as Trade Receivables days plus inventory days minus trade payable days; Wherein, (i) Trade Receivable Days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Financial Years or 275 days for nine months ended December 31 (as applicable), (ii) Inventory Days is calculated as average inventory divided by cost of goods sold multiplied by 365 for Financial Years or 275 days for nine months ended December 31 (as applicable) and (iii) Trade Payable Days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for Financial Years or 275 days for nine months ended December 31 (as applicable). Further, Cost of Goods Sold is the sum of Cost of materials consumed, Purchase of stock-in-trade and Change in inventories of finished goods, stock-in-trade and work-in-progress

Reconciliation for Adjusted Gross Margin & Adjusted Gross Margin (%)

The following table reconciles Adjusted Gross Margin and Adjusted Gross Margin (%) to total income for the Fiscal Years/period presented:

| Particulars | Nine months ended | | Fiscal Year | | |
|--|-------------------|-------------------|--------------|--------------|------------|
| | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 |
| <i>(in ₹ million, except as indicated otherwise)</i> | | | | | |
| Total income (A) | 16,174 | 12,537 | 17,891 | 18,018 | 4,138 |
| Less : | | | | | |
| Cost of materials consumed (B) | 13,069 | 11,323 | 15,792 | 15,370 | 3,482 |
| Purchase of stock-in-trade (C) | 612 | 221 | 279 | 923 | 201 |
| Change in inventories of finished goods, stock-in-trade and work-in-progress (D) | (552) | (105) | 247 | (339) | 155 |
| Adjusted Gross Margin (E) (E=A-B-C-D) | 3,045 | 1,098 | 1,573 | 2,064 | 300 |
| Adjusted Gross Margin (%) (E/A) | 19%* | 9%* | 9% | 11% | 7% |

*Not annualised

Reconciliation of EBITDA and EBITDA Margin (%)

The following table reconciles EBITDA and EBITDA Margin (%) to loss before exceptional items and tax for the Fiscal Years/period presented:

| Particulars | Nine months ended | | Fiscal Year | | |
|--|--|-------------------|----------------|----------------|----------------|
| | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 |
| | <i>(in ₹ million, except as indicated otherwise)</i> | | | | |
| Total income (A) | 16,174 | 12,537 | 17,891 | 18,018 | 4,138 |
| Loss before exceptional items and tax (B) | (5,779) | (6,018) | (8,851) | (8,645) | (3,441) |
| Add: | | | | | |
| Finance costs (C) | 821 | 699 | 890 | 650 | 407 |
| Depreciation and amortisation expenses (D) | 1,258 | 1,090 | 1,467 | 1,128 | 484 |
| EBITDA (E) (E = B+C+D) | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |
| EBITDA Margin (%) (E/A) | (23%)* | (34%)* | (36%)* | (38%)* | (62%)* |

*Not annualised

Reconciliation of Profit / (Loss) For The Year Margin (%)

The following table reconciles Profit / (Loss) for the year margin (%) for the Fiscal Years/period presented:

| Particulars | Nine months ended | | Fiscal Year | | |
|---|--|-------------------|---------------|---------------|---------------|
| | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 |
| | <i>(in ₹ million, except as indicated otherwise)</i> | | | | |
| Total income (A) | 16,174 | 12,537 | 17,891 | 18,018 | 4,138 |
| Loss for the year/ period (B) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Profit / (Loss) For The Year/period Margin (%) (B/A) | (36%)* | (62%)* | (59%)* | (48%)* | (83%)* |

*Not annualised

Reconciliation of Net Worth and RoNW (%)

The following table reconciles Net Worth and RoNW (%) for the Fiscal Years/period presented:

| Particulars | Nine months ended | | Fiscal Year / As at March 31, | | |
|---|--|-------------------|-------------------------------|----------------|----------------|
| | December 31, 2024 | December 31, 2023 | 2024 | 2023 | 2022 |
| | <i>(in ₹ million, except as indicated otherwise)</i> | | | | |
| Equity Share capital* (in ₹)(A) | 30,807,396 | 241,640 | 241,640 | 241,640 | 241,440 |
| Instruments entirely equity in nature (B) | 8 | 8 | 8 | 6 | 7 |
| Other equity (C) | 1,041 | 8,427 | 5,451 | 6,131 | 2,242 |
| Net Worth (D = A+B+C) | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| Loss for the year/period (E) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| RoNW (%) (E/D) | (535%)* | (92%)* | (194%)* | (141%)* | (153%)* |

* The Board of Directors in its meeting held on June 18, 2024 and Shareholders of the Company in the EGM held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹ 1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹ 37 each into 130,610 equity shares of ₹ 1 each. The conversion ratio of the CCPS into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly. The number of shares used for the calculation of earnings per share, and net asset value per share have been adjusted for pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013.

*Not annualised.

Reconciliation of NAV per Equity Share (%)

The following table reconciles NAV per Equity Share for the Fiscal Years/period presented:

| Particulars | Nine months ended | | Fiscal Year | | |
|--|----------------------|-----------------------|---|--------------|--------------|
| | December 31, 2024 | December 31, 2023 | 2024 (in ₹ million, except as indicated otherwise) | 2023 | 2022 |
| Net Worth (A) | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| Weighted average number of equity shares outstanding considered for calculation of basic earning per share (B) | 248,515,284 | 216,104,513* | 223,949,224* | 179,852,541* | 128,421,345* |
| Net Asset Value per Equity Share (A/B) | 4[#] | 39[#] | 24* | 34* | 18* |

* The Board of Directors of our Company in its meeting held on June 18, 2024 and Shareholders of our Company in the EGM held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹1 each and for the equity shares of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹37 each into 130,610 equity shares of ₹ 1 each. The conversion ratio of the CCPS into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly. The number of shares used for the calculation of earnings per share and net asset value per share have been adjusted for pursuant to Paragraph 64 of Ind AS 33 – “Earnings Per Share”, prescribed under Section 133 of the Companies Act, 2013.

[#]Not annualised

Reconciliation for Cost of Goods Sold and Working Capital Days

The following table reconciles Cost of Goods Sold and Working Capital Days for the Fiscal Years/period presented

| Particulars | Nine months ended | | Fiscal Year / As at March 31, | | |
|--|-------------------|----------------------|---|----------------------|----------------------|
| | December 31, 2024 | December 31, 2023 | 2024 (in ₹ million, except as indicated otherwise) | 2023 | 2022 |
| Cost of materials consumed (A) | 13,069 | 11,323 | 15,792 | 15,370 | 3,482 |
| Purchase of stock-in-trade (B) | 612 | 221 | 279 | 923 | 201 |
| Change in inventories of finished goods, stock-in-trade and work-in-progress (C) | (552) | (105) | 247 | (339) | 155 |
| Cost of Goods Sold (D) = (A+B+C) | 13,129 | 11,439 | 16,318 | 15,954 | 3,838 |
| Opening Trade receivable (E) | 16 | 12 | 12 | 10 | - |
| Closing Trade receivable (F) | 103 | 13 | 16 | 12 | 10 |
| Average Trade receivable (G = (E+F)/2) | 60 | 13 | 14 | 11 | 5 |
| Revenue from Operation (H) | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| Trade receivable Days (I) = (G*365/H) or (G*275/H), as applicable | 1 | 0[^] | 0[^] | 0[^] | 0[^] |
| Opening Inventory (J) | 1,167 | 2,574 | 2,574 | 607 | 567 |
| Closing Inventory (K) | 2,227 | 1,737 | 1,167 | 2,574 | 607 |
| Average Inventory (L = (I+K)/2) | 1,697 | 2,156 | 1,871 | 1,591 | 587 |
| Inventory Capital Days (M) = (L*365/D) or (L*275/D), as applicable | 36 | 52 | 42 | 36 | 56 |
| Opening Trade Payables (N) | 4,027 | 3,837 | 3,837 | 1,209 | 676 |
| Closing Trade Payables (O) | 4,121 | 2,231 | 4,027 | 3,837 | 1,209 |
| Average Trade Payables (P = (N+O)/2) | 4,074 | 3,034 | 3,932 | 2,523 | 943 |
| Trade Payables Days (Q) = (P*365/D) or (P*275/D), as applicable | 85 | 73 | 88 | 58 | 90 |
| Working Capital Days (I+M-Q) | (48) | (21) | (46) | (21) | (33) |

[^]0 denotes less than 0.5 day

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations in the nine months ended December 31, 2024 and 2023 and in Fiscal Years 2024, 2023 and 2022. Unless otherwise stated, the financial information in this section has been derived from the Restated Financial Information included in this Red Herring Prospectus.

Our financial year ends on March 31 of each year. Accordingly, references to "Fiscal Year 2024", "Fiscal Year 2023" and "Fiscal Year 2022" are to the 12-month period ended March 31 of the relevant year. The financial information in the nine months ended December 31, 2024 and 2023 should not be taken as an indication of the expected financial condition or results of operations of our Company for the relevant full Fiscal Year, and are not comparable with the financial information in Fiscal Years 2024, 2023 and 2022.

Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "Risk Factors – External Risks – Risks Related to India – Indian accounting standard ("Ind AS") and other accounting principles, such as international financial reporting standards ("IFRS") and United States generally accepted accounting principles ("US GAAP") have significant differences, which may be material to investors' assessments of our financial condition" on page 101. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward-Looking Statements" on pages 43 and 19, respectively.

Industry and market data used in this section have been extracted from the CRISIL Report and such excerpts may have been re-ordered by us for the purpose of presentation. The CRISIL Report has been commissioned by our Company exclusively in connection with the Offer for the purposes of confirming our understanding of the industry in which we operate.

OVERVIEW

We are a pioneer in the Indian electric two-wheeler ("E2W") market, according to the CRISIL Report. We are a pure play EV company that designs all our products ground-up in India. Other than battery packs which are manufactured in-house and portable chargers and motors which are designed and manufactured by our suppliers, other key E2W components, such as motor controllers, transmissions, vehicle control units, dashboards, DC-DC converters, harnesses, and chassis are designed in-house and outsourced to suppliers for manufacturing. We developed all components of the Atherstack software that powers our products in-house. We sold 107,983 E2Ws and 109,577 E2Ws in the nine months ended December 31, 2024 and Fiscal Year 2024, respectively. According to the CRISIL Report, we were the third and fourth largest player by volume of E2W sales in Fiscal Year 2024 and in the nine months ended December 31, 2024, respectively.

We build products with a focus on quality and user experience. Our products are positioned at premium prices in their respective segments. We launched our first product, the Ather 450, in June 2018 and have launched our first convenience scooter, the Ather Rizta series, in April 2024. Our current E2W portfolio comprises two product lines – the Ather 450 line, which caters to customers seeking performance scooters, and the Ather Rizta line, which is targeted at customers seeking convenience scooters for their family. Our E2Ws are complemented by our product ecosystem which comprises charging infrastructure, accessories and the Atherstack, our in-house developed software that powers our products.

We operate an asset-light distribution model comprising experience centres and service centres operated by our third-party retail partners in India and through our authorised distributor in Nepal. As of December 31, 2024, we had 265 experience centres and 233 service centres in India and five experience centres and four service centres in Nepal and 10 experience centres and one service centre in Sri Lanka. Our experience centres are designed to provide a curated and comfortable experience for potential customers. As of December 31, 2024, we had a service centre to experience centre ratio of 0.9 in India, 0.8 in Nepal and 0.1 in Sri Lanka, where we started operations in November 2024, which ensured the availability of after-sales service to our customers. We also introduced our fast-charging network, the Ather Grid, in every city to which we expanded our distribution network through our retail partner or authorized distributor-operated experience centres. According to the CRISIL Report, we were the first 2W OEM to establish a 2W fast charging network in India and the Ather Grid is India's widest 2W fast charging network, as of December 31, 2024.

We assemble our E2Ws and manufacture our battery packs using lithium-ion cells sourced from suppliers at the Hosur Factory, our manufacturing facilities located near Hosur, Tamil Nadu, India. Our Hosur Factory had a total annual installed capacity of 420,000 units for E2Ws and 379,800 units for battery packs as of December 31, 2024. We are in the process of building our Factory 3.0 in Chhatrapati Sambhajanagar (formerly Aurangabad), Maharashtra, India and expect to expand our total production capacity to 1.42 million E2Ws following the final phase of construction.

For more details on our business, see “*Our Business*” on page 257.

PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Income

Our income comprises (i) revenue from operations and (ii) other income.

Revenue from Operations

We primarily generate revenue from (i) the sale of finished goods, comprising E2Ws; (ii) the sale of stock-in-trade, comprising EV-related accessories, spare parts and merchandise; and (iii) the sale of services. Revenue from operations comprised 98%, 98%, 98%, 99% and 99% of our total income in the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, respectively.

Revenue from sales of products and services

Sale of finished goods. From the launch of sale of our E2Ws in 2018 to December 31, 2024, we have sold a total of 341,113 E2Ws. We delivered the first Ather 450 in September 2018, followed by:

- the Ather 450X in January 2020;
- the Ather 450X (Gen 3) in July 2022;
- the Ather 450X (Gen 3.1) in January 2023;
- the Ather 450S in August 2023;
- the Ather 450X (2.9 kWh) in August 2023;
- the Ather 450X (3.7 kWh) in September 2023;
- the Ather 450 Apex in February 2024;
- the Ather Rizta Z (2.9 kWh) in May 2024;
- the Ather Rizta Z (3.7 kWh) in July 2024; and
- the Ather Rizta S in August 2024.

In the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, revenue from the sale of finished goods comprised 89%, 90%, 90%, 80% and 91% of our revenue from operations, respectively.

Revenue from sale of finished goods to dealers and customers (including any booking amounts received) is recognised upon delivery of the E2Ws to the relevant parties, and is net of any applicable discounts or schemes offered under the terms of our contracts with dealers. It excludes taxes or duties collected from dealers and customers. See “— *Critical Accounting Policies — Revenue from contract with customers and other income — Revenue from contract with customers — Sale of products*” on page 469.

Sale of stock-in-trade. We derive revenue from sales of EV-related accessories, spare parts and merchandise. Prior to April 13, 2023, revenue from sale of portable chargers were recognised as sale of stock-in-trade. From April 13, 2023 onwards, our portable chargers were sold as part of our E2Ws. Revenue from the sale of stock-in-trade comprised 5%, 3%, 3%, 12% and 2% of our revenue from operations in the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, respectively.

Sale of services. We primarily derive our revenue from the sales of Pro Pack, which consists of Atherstack features, three years of access to Ather Connect features and our extended battery warranty programs. Revenue is also generated from continued subscription to Ather Connect. Revenue from sale of services comprised 6%, 7%, 7%, 8% and 7% of our revenue from operations in the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, respectively. See “— *Critical Accounting Policies — Revenue from contract with customers and other income — Revenue from contract with customers — Sale of services*” on page 469.

Other operating revenue

We also derive other operating revenue primarily from sale of scraps. In the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, other operating revenue comprised 0.2%, 0.1%, 0.2%, 0.1% and 0.1% of our revenue from operations, respectively.

Other Income

In addition, we receive other income primarily in the form of interest income, gains from our financial investments, gains on sale of property, plant and equipment and provision/liability no longer required to be written back.

Expenses

Our major expenses include (i) the cost of materials consumed; (ii) the purchase of stock-in-trade; (iii) research and development (“**R&D**”) expenditure; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortisation expenses; and (vii) other expenses.

Cost of materials consumed

We purchase raw materials and components from our vendors for use in the manufacture of our E2Ws. We outsource the manufacturing of certain components, such as the chassis, battery management system (“**BMS**”), vehicle control unit, motor controller, signal harness and fast charger to our vendors, while maintaining control over the design of such components. We also source the raw materials and components required for our in-house manufacturing of select high margin components from third parties. The cost of materials consumed represented 83%, 92%, 90%, 86% and 85% of our revenue from operations in the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, respectively.

Purchase of stock-in-trade

We outsource the manufacturing of our EV-related accessories, such as TPMS sensors and chargers, as well as E2W spare parts and merchandise from our vendors. Purchase of stock-in-trade represented 4%, 2%, 2%, 5%, 5% of our revenue from operations in the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, respectively.

R&D expenditure

We have invested in our in-house R&D, with a focus on further developing our design of, and the technology underlying, our E2Ws, accessories, software and charging infrastructure, in order to enhance the two-wheeler user experience and improve our unit economics.

Our R&D expenditure comprises manpower costs and non-manpower costs. Our manpower costs include payment of salaries to our on-roll employees such as engineers, graduate engineering trainees, research scientists, designers, data scientists, interns, consultants and other professionals and off-roll employees involved in R&D. We are also required to pay statutory dues to our employees, including employee provident fund contributions. As of December 31, 2024, we had 731 on-roll employees and 217 off-roll employees involved in R&D functions, comprising design, engineering, product ownership and product management. Our non-manpower costs comprise testing expenses, prototyping costs, licensing costs for product development activities, development of tools such as moulds for casting, fixtures for welding and machining, components, and expenditure relating to the operation of our testing facilities and labs.

In recording R&D expenditure, we identify the manpower and non-manpower expenses incurred in connection with various R&D activities. In relation to R&D manpower expenses, we identify the on-roll employees (comprising consultants and interns) from the design, engineering, product ownership and product management departments and the off-roll employees from such departments who were involved in the identified R&D activities and allocate related employee benefit expenses to R&D expenditure. For R&D non-manpower expenses, we identify the cost of materials consumed and other expenses (primarily comprising consumables, rent and maintenance, freight and carriage outwards, legal, professional and consultancy charges, software license fee, and repairs and maintenance for plant and machinery) incurred in connection with the identified R&D activities and account it as R&D expenditure. In addition, we allocate the relevant GST paid on such expenses to R&D expenditure.

In accordance with Ind AS 38, expenses incurred during the development phase of a project are capitalised if, and only if, it can be demonstrated that it is technically feasible to complete the development of the intangible asset for use or sale, there is an intention to complete the intangible asset and use or sell it, there is an ability to use or sell the intangible asset, the intangible asset will generate probable future economic benefits, there is an availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and there is an ability to reliably measure the expenditure attributable to the intangible asset during its development. To identify manpower costs to capitalise, we consult with the R&D project heads to identify qualifying R&D projects and require employees involved in such projects to identify the time spent on such projects on a quarterly basis, which is then reviewed and approved by the reporting managers and project heads. To identify non-manpower costs to capitalise, we review the R&D expenses identified through our internal budget management system, together with the project heads, to identify the expenses incurred during the development phase of each of the identified R&D projects, which are then capitalised.

While we incur development efforts on quality improvement, capacity enhancement and cost reductions for existing product lines, expenses in relation thereto are not eligible for capitalisation as per Ind AS. Such R&D expenses are expensed out in the statement of profit and loss.

R&D expenditure is calculated as the sum of R&D expenses that have not been capitalised, capitalised development costs and applicable GST. The following table sets forth a breakdown of our R&D expenditure by manpower and non-manpower costs for the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|----------------------------------|---|---------------------|---------------------|---------------------|---------------------|
| | 2024 ⁽¹⁾ | 2023 ⁽²⁾ | 2024 ⁽³⁾ | 2023 ⁽⁴⁾ | 2022 ⁽⁵⁾ |
| | (₹ million, unless otherwise indicated) | | | | |
| Manpower | 1,309 | 1,113 | 1,518 | 1,204 | 575 |
| % of total income | 8% | 9% | 8% | 7% | 14% |
| Non-manpower | 1,079 | 524 | 847 | 712 | 435 |
| % of total income | 7% | 4% | 5% | 4% | 11% |
| Total R&D Expenditure | 2,388 | 1,637 | 2,365 | 1,916 | 1,010 |
| % of total income | 15% | 13% | 13% | 11% | 24% |

Notes:

(1) Inclusive of ₹149 million as taxes.

(2) Inclusive of ₹96 million as taxes.

(3) Inclusive of ₹142 million as taxes.

(4) Inclusive of ₹132 million as taxes.

(5) Inclusive of ₹55 million as taxes.

The following table indicates the amount of R&D expenditure capitalised in absolute amount and as a percentage of total R&D expenditure in each of the periods indicated.

| | Nine months ended December 31, | | Fiscal Year | | |
|---|---|------|-------------|------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (₹ million, unless otherwise indicated) | | | | |
| R&D expenditure capitalised | 1,252 | 477 | 800 | 444 | 714 |
| R&D expenditure capitalised as % of total R&D expenditure | 52% | 29% | 34% | 23% | 71% |

Our R&D expenditure represented 15%, 13%, 13%, 11% and 25% of our revenue from operations in the nine months ended December 31, 2024 and 2023 and in Fiscal Years 2024, 2023 and 2022, respectively. Our capitalised R&D expenditure represented 52%, 29%, 34%, 23% and 71% of our total R&D expenditure in the nine months ended December 31, 2024 and 2023 and Fiscal Years 2024, 2023 and 2022, respectively. We expect to continue investing in our in-house R&D activities and to incur additional capital expenditures in connection therewith.

Employee benefits expense

Our employee benefits expense consists of salaries and wages, employee share based payment expenses, contribution to provident and other funds, gratuity and staff welfare expenses paid to our employees. We had 1,575 on-roll employees and 1,935 off-roll employees as of December 31, 2024.

Finance costs

We incur finance costs primarily in the form of interest on our borrowings and lease liabilities.

Depreciation and amortisation expense

We incur depreciation and amortisation expenses in relation to our property, plant and equipment, right-of-use assets comprising our leased properties, and intangible assets, comprising our product development costs, software, website and IP rights.

Other expenses

Our other expenses primarily consist of advertisement and marketing expenses, as we invested in marketing campaigns, brand building initiatives and product campaigns to promote our brand, such as the Ather Community Day event and Wheee scooter-riding training camps. See “***Our Business – Marketing***” on page 307. Other key expenses include legal, professional and consultancy charges and a provision for estimated warranty costs upon the sale of our E2Ws.

PRINCIPAL FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our results of operations and financial condition are affected by a number of important factors, including:

Our ability to grow our customer base.

Our results of operations depend significantly on our ability to attract new orders from customers, which impacts our sales volumes. Our focus on quality and user experience enables us to position our E2Ws as premium offerings within their respective market segments. We also offer quality customer experience through our Ather product ecosystem and operations ecosystem. Providing our customers with quality products and services at appropriate vehicle pricing is essential for us to remain competitive in the EV market while preserving our ability to achieve and maintain profitability in the future. The introduction of new portfolio offerings in April 2024, such as the launch of the Halo smart helmets, the Atherstack 6.0 and our latest E2W model, the Ather Rizta which targets the large convenience scooter segment, enabled us to expand into different customer segments to attract new customers and grow our customer base. Since the introduction of the Ather Rizta, our sales volume increased by 45% to 107,983 units in the nine months ended December 31, 2024 from 74,333 units in the nine months ended December 31, 2023. The Ather Rizta accounted for 52% of our total sales volume in the nine months ended December 31, 2024.

As part of our ongoing commitment to expanding our customer reach and enhancing service accessibility, we have further expanded our network of experience centres and service centres. The total number of our experience centres and service centres located in India, Nepal and Sri Lanka increased from 34 experience centres and 30 service centres as of March 31, 2022 to 117 experience centres and 102 service centres as of March 31, 2023, 211 experience centres and 192 service centres as of March 31, 2024 and 280 experience centres and 238 service centres as of December 31, 2024. To further enhance customer satisfaction, we strive to maintain a ratio of service centres to experience centres above one in all cities in which we operate. As of December 31, 2024, our service centre to experience centre ratio was 0.9 in India, 0.8 in Nepal and 0.1 in Sri Lanka where we started operations in November 2024. We offer training to the sales and service personnel at our retail partners’ experience centres and COCO experience centres to ensure a consistent and quality user experience. In addition, we expanded the Ather Grid from 291 chargers as of March 31, 2022 to 1,175 chargers as of March 31, 2023, 2,483 chargers as of March 31, 2024 and 3,282 chargers as of December 31, 2024. Our existing pool of customer data allows us to enhance our products through user insights, and further expand our customer base. We invest in brand building initiatives, such as online marketing campaigns and sports marketing campaigns, to spread brand visibility and drive long-term customer loyalty.

Customer recognition of our commitment to quality and customer experience is reflected in the increase in the number of customers from 23,062 in Fiscal Year 2022 to 84,505 for Fiscal Year 2023 and 113,992 in Fiscal Year 2024. Further, the number of customers rose from 78,738 in the nine months ended December 31, 2023 to 104,981 in the nine months ended December 31, 2024. Our vehicle sales correspondingly increased from 23,402 units in Fiscal Year 2022 to 92,093 units in Fiscal Year 2023 and 109,577 units in Fiscal Year 2024. Moreover, in the nine months ended December 31, 2024, our vehicle sales increased to 107,983 units from 74,333 units in the nine months ended December 31, 2023.

We will continue investing in the expansion of our product portfolio by launching E2Ws that cater to the broader 2W market, while also continuing to enhance the Ather 450 and Ather Rizta lines by adding new features and software updates to meet the growing demand for E2Ws and attract new customers. According to the CRISIL

Report, demand for E2Ws is expected to continue to grow at a CAGR of 41% to 44% to reach a market size of 10.3 million to 12.3 million units by Fiscal Year 2031, and we seek to continue to grow our portfolio offerings to capture this growth. We also plan to further expand and deepen our distribution network in India, leveraging on our asset-light distribution model. As we expand our distribution network, we will also expand our charging infrastructure in every region that we enter. We will also seek opportunities to expand into other international markets where we identify significant untapped demand for our products. Our ability to attain commercial acceptance for our products in new markets will be a key factor in accelerating revenue growth.

Investments in our in-house R&D, design and manufacturing capabilities

Our future profitability significantly depends on our ability to innovate and manufacture our E2Ws in an efficient manner. We have made significant investments into R&D, focused on the development of EV-related technologies and new scooter and battery platforms in order to expand our product line, lower our BOM and manufacturing costs and improve our operational efficiencies.

Our R&D expenditure amounted to ₹2,388 million, ₹1,637 million, ₹2,365 million, ₹1,916 million and ₹1,010 million in the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, respectively. We made 91 engineering changes in Fiscal Year 2024, which helped reduce our bill of materials (“BOM”) costs. Further, our vertically integrated approach to technology and design of the majority of our key components have allowed us to better manage our costs. For example, we designed our ADC in-house, which reduced our BOM cost for the motor controller by 51% from launch in Fiscal Year 2022 as compared to the motor controllers sourced from our vendor in Fiscal Year 2021. Such efforts lowered the BOM cost of the Ather 450X (2.9 kWh) variant by 31% in the nine months ended December 31, 2024, compared to when it was first produced in Fiscal Year 2021, and lowered the BOM cost of the Ather 450X (Gen 3) (3.7 kWh) by 18% in the nine months ended December 31, 2024, compared to when it was first produced in Fiscal Year 2023. In April 2024, we launched the Ather Rizta series, which features an average BOM cost that is 7% lower than that of the Ather 450 series of scooters as of December 31, 2024. This has enabled us to achieve an Adjusted Gross Margin of 19%, 9%, 9%, 11% and 7% in the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, respectively. Through our continued investments in our R&D, E2Ws and testing capabilities, we improved the quality of our products. This also led to a reduction in warranty costs between Fiscal Year 2022 and Fiscal Year 2024. Our warranty costs as a percentage of our total income was 2%, 3% and 5% in Fiscal Years 2024, 2023 and 2022, respectively. In the nine months ended December 31, 2024 and 2023, our warranty costs remained at 3% of our total income for these respective periods.

We plan to continue investing significantly in our R&D, design and manufacturing capabilities to further enhance our product ecosystem, generate greater economies of scale and cost reductions, lower supply chain dependencies and enhance the user experience. For example, we are developing a new E2W platform (the EL platform) and a new battery platform which uses the LFP cathode chemistry to augment our existing battery platform. Our LFP battery packs are expected to be compatible with some of our existing products and reduce our BOM cost structures for select variants. This enhancement is attributed to the LFP chemistry, which is cheaper than the NMC batteries that we currently utilize, according to the CRISIL Report. For further details, see “*About our Company – Industry Overview – Overview of Lithium-ion Battery technology – Battery Chemistry*” on page 243. We have also commissioned a new R&D facility, the Product Validation Lab, in the Begur area of Bengaluru, Karnataka, India, to further enhance our R&D capabilities. In order to further expand our production capacity, we plan to build the Factory 3.0 in Chhatrapati Sambhajinagar (formerly Aurangabad), Maharashtra, India, and integrate automation technologies and select manufacturing processes for certain components that we currently outsource to achieve greater cost efficiencies. These processes include electronics assembly, transmission assembly, and painting. Upon the completion of the first phase of construction, which is expected to be by March 2027 our E2W production capacity is expected to increase from 420,000 units per year as of December 31, 2024, to 0.92 million units per year. For additional details on our future R&D investments, please see “*Objects of the Offer - Outlook towards future R&D investments*” on page 189.

Our ability to develop and manage a resilient supply chain

According to the CRISIL Report, supply chain resilience is one of the key factors for success in EVs. Our ability to maintain a localised and diversified supplier base while being strategic in the selection of components to manufacture in-house is a key driver for future profitability. We have built a diversified and localised supplier base, which comprised 202 suppliers as of December 31, 2024. Except for lithium-ion cells, we sourced 99.9% of our E2W components by BOM value as of December 31, 2024, from domestic vendors. The largely localised nature of our supply enables us to procure supplies at lower costs given the reduction of transportation costs. The proximity to our suppliers also reduces lead times, facilitates just-in time inventory management and minimises

our inventory costs.

To further develop and manage our supply chain resilience, we plan to enter into long-term supply arrangements with our lithium-ion cell suppliers to ensure a stable and consistent supply of lithium-ion cells on favourable terms. We seek to collaborate with a domestic lithium-ion cell manufacturer to drive the manufacturing process in India. Our ability to successfully execute on these initiatives will enable us to further strengthen the resilience of our supply chain.

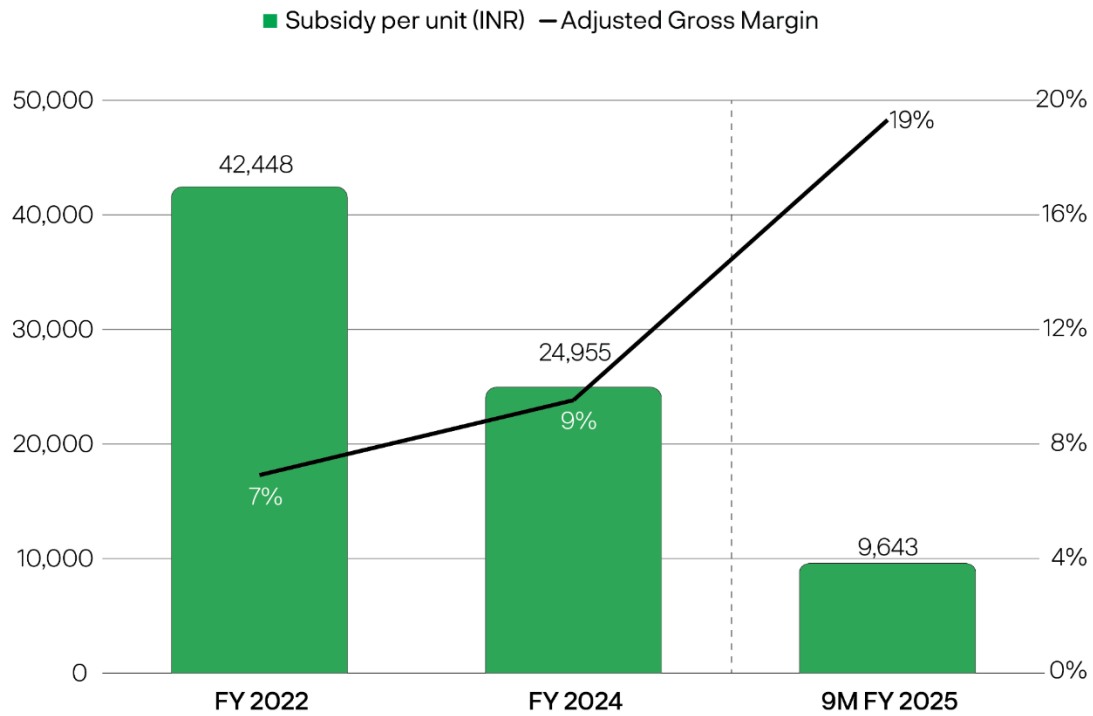
Improvement of costs and profitability

Through our R&D capabilities, scalable technology platform, premium positioning across segments and capital efficient business model, we have reduced our costs and improved our revenue, as evidenced by the growth of our revenue which has outpaced the increase in our total expenses.

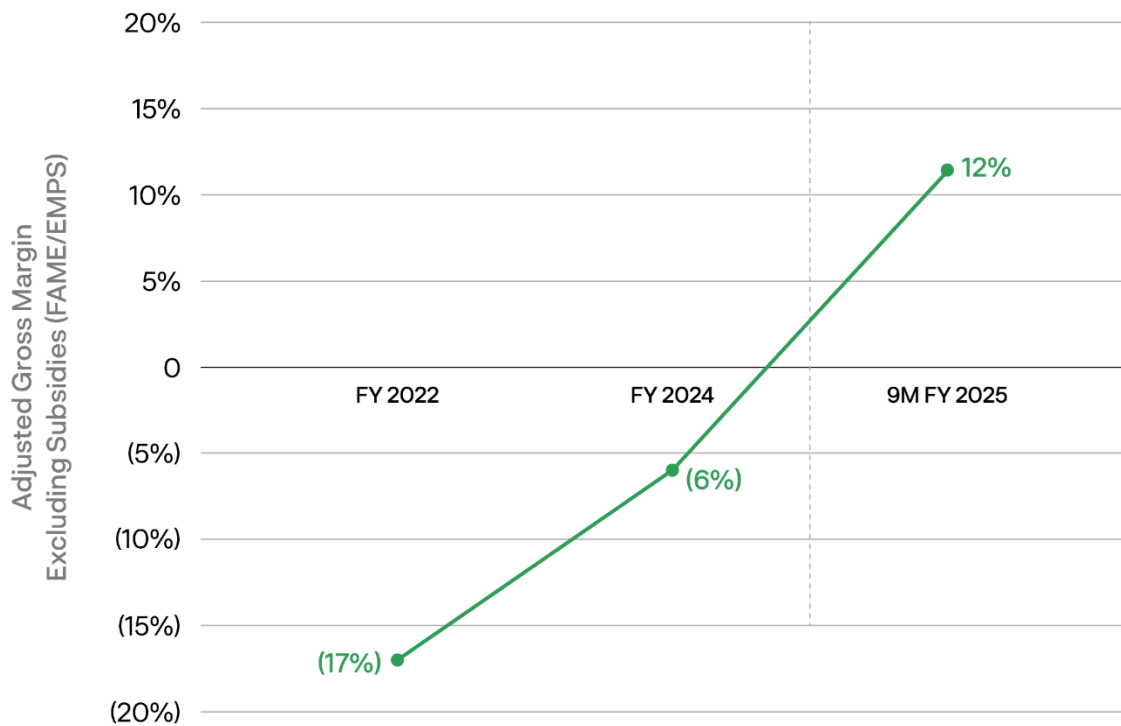
Our revenue from operations grew by 329% from Fiscal Year 2022 to Fiscal Year 2024, and 28% between the nine months ended December 31, 2023 and the nine months ended December 31, 2024. We recorded an increase in revenue from sale of finished goods to ₹15,819 million in Fiscal Year 2024, from ₹14,327 million and ₹3,703 million in Fiscal Years 2023 and 2022, respectively. Revenue from sale of finished goods also increased further to ₹14,010 million in the nine months ended December 31, 2024, from ₹11,088 million for the nine months ended December 31, 2023. The increase in our revenue from sale of finished goods, coupled with the increase in EBITDA Margin to (36%) for Fiscal Year 2024, from (38%) and (62%) for Fiscal Years 2023 and 2022 respectively, and an increase to (23%) in the nine months ended December 31, 2024 from (34%) for the nine months ended December 31, 2023, did not result in a commensurate increase in our total expenses. Our total expenses (excluding exceptional items) as a percentage of total income decreased from 183% in Fiscal Year 2022 to 148% in Fiscal Year 2023, and increased marginally to 149% in Fiscal Year 2024. Total expenses (excluding exceptional items) as a percentage of total income decreased to 136% in the nine months ended December 31, 2024, from 148% for the nine months ended December 31, 2023. Please see “– **Non-GAAP Measures – Reconciliation of EBITDA and EBITDA Margin**” on page 434.

Our focus on premium positioning across segments and cost reduction has improved our unit economics. This, in turn, has reduced our dependence on government subsidies. For further details, please see “– **Principal Factors Affecting Our Financial Condition and Results of Operations – Government incentive packages**” on page 447. The strategic cost reductions and enhancements in our unit economics have improved our margins, advancing us toward our aim of achieving profitability. Our revenue from government subsidies under the FAME/EMPS/PM E-Drive scheme as a percentage of our revenue from operations reduced to 7% in the nine months ended December 31, 2024 from 17% in the nine months ended December 31, 2023, and to 16% in Fiscal Year 2024 from 24% in Fiscal Year 2022. We expect this figure to be further reduced in the future. The premium positioning of our E2Ws across segments has ensured that the variation of our revenue per E2W, exclusive of subsidies, was less than 5% in the nine months ended December 31, 2024 and for the past three Fiscal Years. Further, our Adjusted Gross Margin also increased from 9% in the nine months ended December 31, 2023 to 19% in the nine months ended December 31, 2024, and from 7% in Fiscal Year 2022 to 9% in Fiscal Year 2024, despite the 65% decrease in subsidies per E2W in the nine months ended December 31, 2024 as compared to the nine months ended December 31, 2023, and the 41% decrease in subsidies per E2W in Fiscal Year 2024 as compared to Fiscal Year 2022, as demonstrated by the diagram below. Our Adjusted Gross Margins Excluding Subsidies under the FAME/EMPS/PM E-Drive Scheme improved by 20% to 12% in the nine months ended December 31, 2024 from (8%) in the nine months ended December 31, 2023. Our Adjusted Gross Margins Excluding Subsidies under the FAME/EMPS/PM E-Drive scheme has improved by 29% to 12% in the nine months ended December 31, 2024, from (17%) for Fiscal Year 2022.

Adjusted Gross Margins Including Subsidies



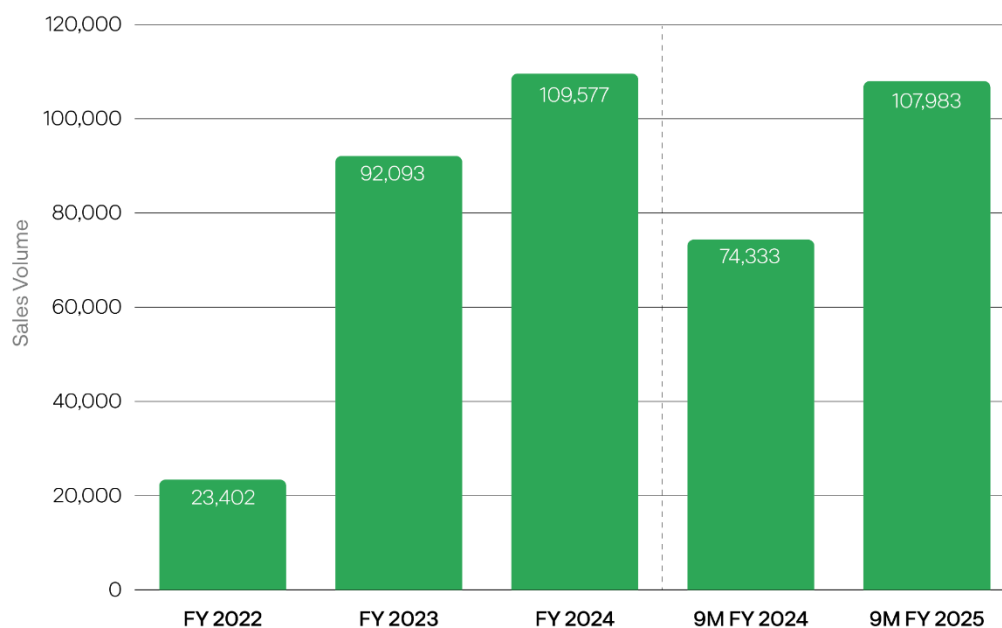
Adjusted Gross Margins Excluding Subsidies



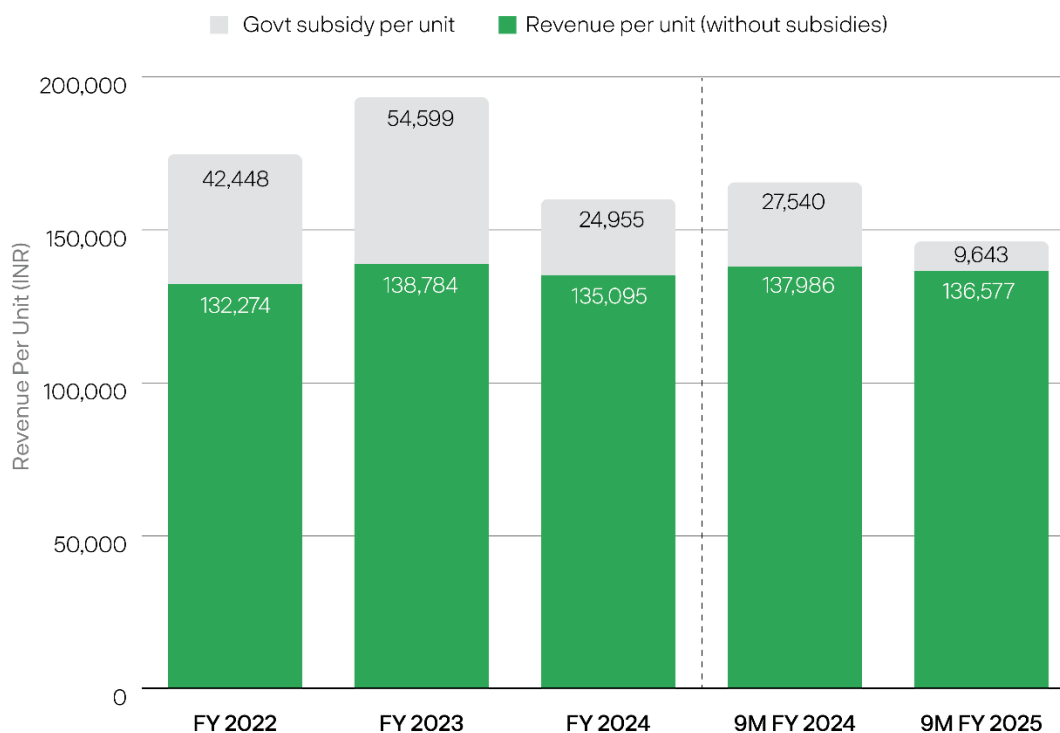
Moreover, our sales volume of E2Ws grew to 107,983 E2Ws and 109,577 E2Ws in the nine months ended December 31, 2024 and in Fiscal Year 2024 respectively, from 74,333 E2Ws and 23,402 E2Ws in the nine months

ended December 31, 2023 and in Fiscal Year 2022, respectively. This represents a growth of 45% between the nine months ended December 31, 2023 and the nine months ended December 31, 2024, and 368% from Fiscal Year 2022 to Fiscal Year 2024. Please see “– **Non-GAAP Measures – Reconciliation of Adjusted Gross Margin and Adjusted Gross Margin (%)**” on page 456.

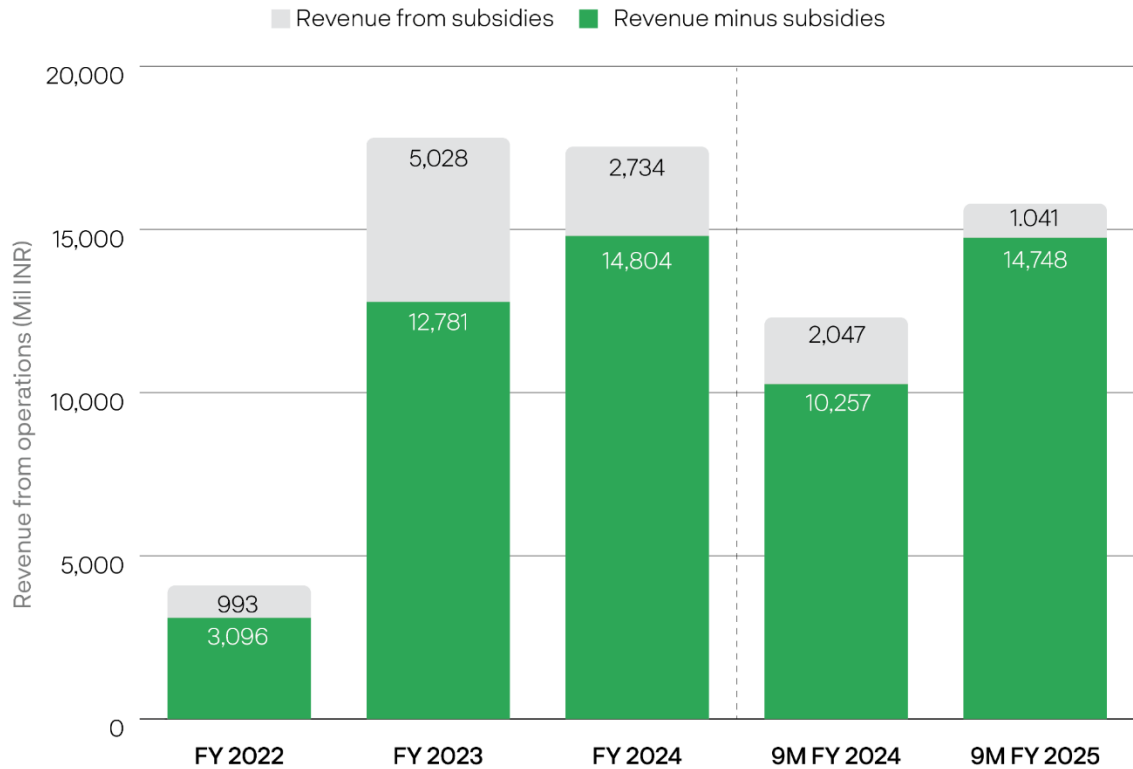
Sales volume



Revenue per unit (without subsidies) and government subsidies from the FAME/EMPS/PM E-Drive scheme per unit

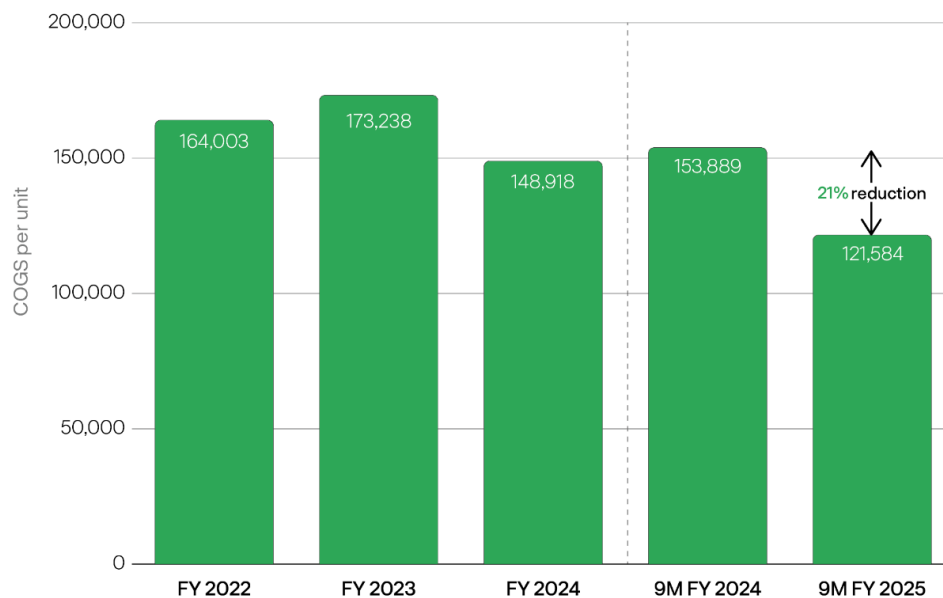


Revenue from Operations minus subsidies from the FAME/EMPS/PM E-DRIVE Scheme



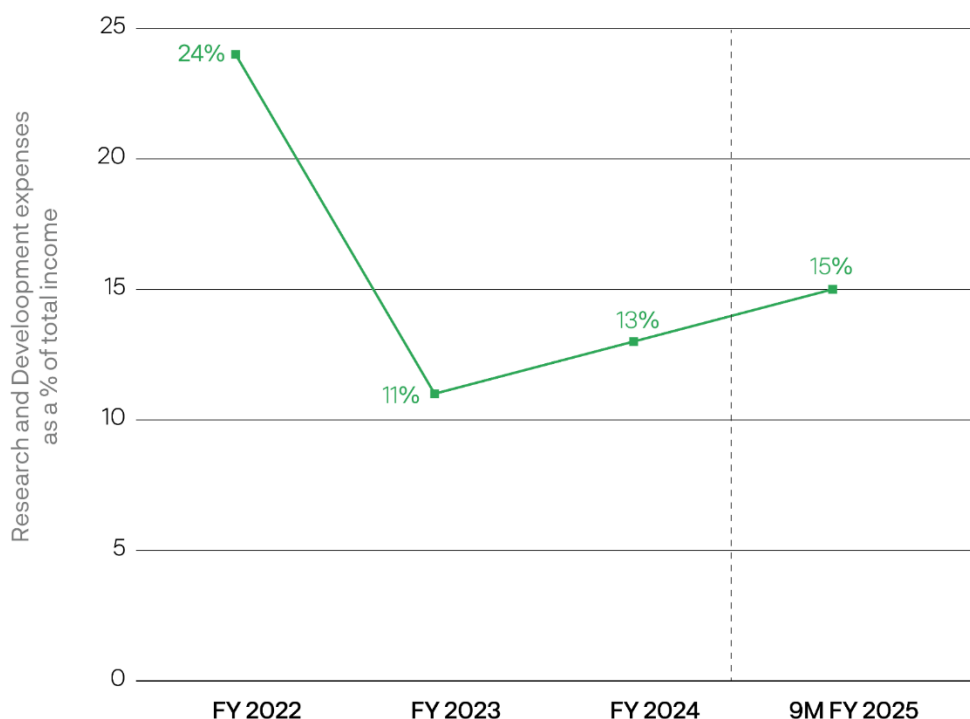
Our focus on cost reduction through our R&D capabilities, diversification and localisation of our supplier base, and improvement of manufacturing efficiencies, has simultaneously reduced our costs of goods sold (“COGS”) per unit over the past three Fiscal Years as demonstrated by the diagram below. Our COGS decreased by 21% to 121,584 in the nine months ended December 31, 2024 from 153,889 for nine months ended December 31, 2023. For a breakdown of COGS, please see “– *Non-GAAP Measures – Reconciliation for Cost of Goods Sold and Working Capital Days*” on page 458.

COGS per unit



While we invest substantially in our R&D capabilities, our existing technology platforms such as the battery, powertrain, electronics, chassis and Atherstack, have allowed us to achieve scalability and have decreased our R&D expenditure as a percentage of total income over the past three Fiscal Years and the nine months ended December 31, 2024, as indicated by the diagram below.

R&D Expenditure as a percentage of total income (%)



We will continue to follow our capital efficient business model whereby we strategically invest in technology, manufacturing and distribution to minimise our cash burn. According to the CRISIL Report, our cumulative cash burn ratio of 0.6 in the nine months ended December 31, 2024 is lower than comparable domestic and global peers demonstrating our efficient use of capital. Our Factory 3.0 will be constructed to include more in-house manufacturing processes, thereby increasing our profit margin through the decrease of COGS. The cost savings generated from our capital efficient approach to expansion and manufacturing will enable us to allocate more resources towards investments with potentially high internal rates of return, such as investments in our R&D for ecosystem products and manufacturing facilities as well as our charging and distribution network.

We plan to continue to build upon the strength of our existing technology to further develop platforms compatible with a wider variety of products, thereby accelerating new product and software launches at reduced operational costs. These initiatives are expected to help us expand our product portfolio, retain our premium position across segments, lower our costs and improve our margins.

Software monetisation

Sale of our Atherstack software serves as another revenue stream and offers significant monetisation opportunities at high gross margins. Upon purchase of E2Ws, our customers have the option to purchase advanced Atherstack software features through the Pro Pack bundle, which unlocks Ride Assist features, such as traction control, AutoHold, and theft and tow alerts, and provides three-year access to Ather Connect features, such as live location sharing and access to OTA software updates. Alternatively, customers may opt to not purchase the software and use their E2Ws without the additional software features. At the end of the three-year access period, customers have the option to pay an annual subscription charge to access or continue to access Ather Connect features. We recognize revenue from software sales as revenue from operations. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Principal Components of Statement of Profit and Loss – Income – Revenue from Operations*” on page 437.

The success of our software offerings depends on our ability to further develop our software features and seamlessly integrate it within the Ather product ecosystem. As of January 20, 2025, our Ather app was rated 4.4 out of 5 on the Android app store and 4.5 out of 5 on the Apple app store. In April 2024, we launched the sixth generation of our Atherstack, which will be our seventh version since inception.

In the nine months ended December 31, 2024 and 2023, and in Fiscal Years 2024, 2023 and 2022, we recorded revenue from software sales of ₹897 million, ₹771 million, ₹1,074 million, ₹1,321 million, and ₹264 million, respectively, representing 6%, 6%, 6%, 7%, and 6% of our respective revenue from operations for the corresponding periods. In the nine months ended December 31, 2024 and in Fiscal Year 2024, 86% and 89% of our E2W owners purchased advanced Atherstack features respectively.

We plan to continue enhancing the functionality and features of our software to maintain its appeal and integration within the Ather ecosystem. This includes developing new features and improving existing ones through OTA updates. We will also continue to offer the Atherstack software through the Pro Pack to our customers and aim to increase the revenue stream from software sales in the future.

Government incentive packages

We have benefited from various government incentives seeking to encourage EV adoption. Such subsidies lower the price point of our products to consumers and help to spur customer demand for our E2Ws. Our E2Ws qualified for the Government of India's Faster Adoption and Manufacturing of Electric ("FAME") subsidy until its expiry on March 31, 2024, following which, all our E2Ws except for the Ather 450 Apex qualified for the Electric Mobility Promotion Scheme 2024 ("EMPS 2024"), which succeeded the FAME subsidy. The EMPS 2024 expired on September 30, 2024, following which, all our E2Ws except for the Ather 450 Apex qualified for the PM Electric Drive Revolution in Innovative Vehicle Enhancement ("PM E-DRIVE"). The PM E-DRIVE program provides subsidies of ₹10,000 per eligible vehicle. Further, in certain states, our Company and our customers also qualify for certain tax exemptions in relation to road tax. These incentives further drive the demand for EVs in India.

Our ability to qualify for or maintain eligibility for such government incentives is a key factor that affects our ability to maintain and grow our market share. However, we may experience recalls or scale backs on benefits available to EV manufacturers under various government incentive schemes. For example, pursuant to a notification dated May 19, 2023 from the Ministry of Heavy Industries, Government of India, the cap on incentives for the FAME scheme was scaled back from ₹15,000 per kWh to ₹10,000 per kWh, with effect from June 1, 2023. As a result of the reduced subsidy, our customers faced an increase in the retail price of our E2Ws ranging from ₹20,434 to ₹30,285. In the nine months ended December 31, 2024 and 2023 and in Fiscal Years 2024, 2023 and 2022, revenue from government subsidies under the FAME/EMPS/PME-drive scheme comprised 7%, 17%, 16%, 28% and 24% of our revenue from operations, respectively. The reduction or withdrawal of the PM E-DRIVE program could similarly result in an increase in retail price of our E2Ws, and any uncertainty surrounding the continuation or modification of such subsidies poses a challenge to our strategic planning and financial forecasting. We seek to reduce our costs, improve our operational efficiencies and maintain our premium position across segments to further reduce our reliance on government incentives.

Growth of India's economy and growing aspiration of Indian consumers to acquire premium E2Ws

Our two E2W models, the Ather 450 and the Ather Rizta, are positioned as premium offerings in their respective market segments and are therefore susceptible to India's macroeconomic developments that could affect discretionary consumer spending, particularly for premium goods.

According to the CRISIL Report, India's GDP grew at a CAGR of 4.8% between Fiscal Years 2019 and 2024 with per capita income expected to increase to about US\$4,500 by Fiscal Year 2031. Further, according to the CRISIL Report, India's per capita disposable income has grown at a CAGR of 4.8% between CY2018 and CY2024. In line with these growths, the share of premium vehicles increased from approximately 38% in Fiscal Year 2019 to approximately 52% for Fiscal Year 2024 for motorcycles and from approximately 20% in Fiscal Year 2019 to approximately 47% for in Fiscal Year 2024 for scooters, according to the CRISIL Report. According to the CRISIL Report, EV penetration is expected to reach approximately 35% of industry sales by Fiscal Year 2031. Our ability to continue to grow our business depends on the growth of India's economy and the trend for demand for premium products.

Leveraging on our product usage insights, we seek to continue designing and manufacturing E2Ws and EV-related accessories that meet the growing aspirations of our target customers across all 2W segments. For further details,

see “*Our Business - Overview - Market Opportunity*” on page 258.

SUMMARY RESULTS OF OPERATIONS

The following table sets forth select financial data from our restated statement of profit and loss for the periods indicated, the components of which are also expressed as a percentage of total income for such periods.

| Particulars | Nine months ended December 31 | | | | Fiscal Year | | | | | |
|--|-------------------------------|-------------------|----------------|-------------------|-----------------|-------------------|----------------|-------------------|----------------|-------------------|
| | 2024 | | 2023 | | 2024 | | 2023 | | 2022 | |
| | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income | Amount | % of Total Income |
| <i>(in ₹ million, unless otherwise indicated)</i> | | | | | | | | | | |
| Revenue from operations | 15,789 | 98% | 12,304 | 98% | 17,538 | 98% | 17,809 | 99% | 4,089 | 99% |
| Other income | 385 | 2% | 233 | 2% | 353 | 2% | 209 | 1% | 49 | 1% |
| Total income | 16,174 | 100% | 12,537 | 100% | 17,891 | 100% | 18,018 | 100% | 4,138 | 100% |
| EXPENSES | | | | | | | | | | |
| Cost of materials consumed | 13,069 | 81% | 11,323 | 90% | 15,792 | 88% | 15,370 | 85% | 3,482 | 84% |
| Purchase of stock-in-trade | 612 | 4% | 221 | 2% | 279 | 2% | 923 | 5% | 201 | 5% |
| Change in inventories of finished goods, stock-in trade and work-in-progress | (552) | (3%) | (105) | (1%) | 247 | 1% | (339) | (2%) | 155 | 4% |
| Employee benefits expense | 3,033 | 19% | 2,151 | 17% | 3,692 | 21% | 3,348 | 19% | 1,139 | 28% |
| Finance costs | 821 | 5% | 699 | 6% | 890 | 5% | 650 | 4% | 407 | 10% |
| Depreciation and amortisation expenses | 1,258 | 8% | 1,090 | 9% | 1,467 | 8% | 1,128 | 6% | 484 | 12% |
| Other expenses | 3,712 | 23% | 3,176 | 25% | 4,375 | 24% | 5,583 | 31% | 1,711 | 41% |
| Total expenses | 21,953 | 136% | 18,555 | 148% | 26,742 | 149% | 26,663 | 148% | 7,579 | 183% |
| Loss before exceptional items and tax | (5,779) | (36%) | (6,018) | (48%) | (8,851) | (49%) | (8,645) | (48%) | (3,441) | (83%) |
| Exceptional items | - | - | 1,746 | 14% | 1,746 | 10% | - | - | - | - |
| Loss before tax | (5,779) | (36%) | (7,764) | (62%) | (10,597) | (59%) | (8,645) | (48%) | (3,441) | (83%) |
| Tax Expense | | | | | | | | | | |
| Current tax | - | - | - | - | - | - | - | - | - | - |
| Deferred tax | - | - | - | - | - | - | - | - | - | - |
| Total tax expense | - | - | - | - | - | - | - | - | - | - |
| Loss for the year / period | (5,779) | (36%) | (7,764) | (62%) | (10,597) | (59%) | (8,645) | (48%) | (3,441) | (83%) |

Nine Months Ended December 31, 2024 Compared to Nine Months Ended December 31, 2023

Revenue from operations

Our revenue from operations increased by 28% to ₹15,789 million in the nine months ended December 31, 2024 from ₹12,304 million in the nine months ended December 31, 2023 primarily due to an increase in the sales volume of E2Ws on account of our introduction of the Ather Rizta in May 2024 and the expansion of our distribution network from 178 experience centres as of December 31, 2023 to 280 experience centres as of

December 31, 2024. In the nine months ended December 31, 2024, we sold 107,983 units of Ather 450X and Ather Rizta variants compared to 74,333 units of Ather 450X variants in the nine months ended December 31, 2023, a 45% increase which resulted in a corresponding increase in our revenue from sale of finished goods to ₹14,010 million in the nine months ended December 31, 2024 as compared to ₹11,088 million in the nine months ended December 31, 2023.

Our sale of stock-in-trade also increased to ₹743 million in the nine months ended December 31, 2024, compared to ₹350 million in the nine months ended December 31, 2023. This increase is mainly attributable to the increase in our sales of accessories, spare parts and merchandise to support the growth of our business. Our sale of service increased to ₹1,005 million in the nine months ended December 31, 2024, compared to ₹850 million in the nine months ended December 31, 2023, in line with the growth in sales of our E2Ws.

Other income

Our other income increased to ₹385 million in the nine months ended December 31, 2024 from ₹233 million in the nine months ended December 31, 2023. The increase was primarily due to an increase in the gain on disposal / fair valuation of investments to ₹204 million in the nine months ended December 31, 2024, from ₹89 million in the nine months ended December 31, 2023 as a result of an increase in investment of surplus fund in liquid mutual funds.

Expenses

Our total expenses increased to ₹21,953 million in the nine months ended December 31, 2024 from ₹18,555 million in the nine months ended December 31, 2023, primarily due to an increase in cost of material consumed, purchase of stock-in-trade, employee benefits expense, finance costs, depreciation and amortisation expense and other expenses. Our total expenses as a percentage of total income were 136% in the nine months ended December 31, 2024 as compared to 148% in the nine months ended December 31, 2023.

Cost of materials consumed

Our cost of materials consumed increased to ₹13,069 million in the nine months ended December 31, 2024 from ₹11,323 million in the nine months ended December 31, 2023 in line with the increase in the production and sale of our E2Ws. The increase was partially offset by cost efficiencies generated through our in-house design, R&D initiatives and a reduction in cell cost which lowered our average BOM cost per vehicle for the Ather 450 series. Additionally, in the nine months ended December 31, 2024, the introduction of the Ather Rizta, which features an average BOM cost 7% lower than the Ather 450 series as of December 31, 2024, represented 52% of our total sales volume during the same period, resulting in a lower cost of materials consumed. The cost of materials consumed represented 81% and 90% of our total income in the nine months ended December 31, 2024 and in the nine months ended December 31, 2023, respectively.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased to ₹612 million in the nine months ended December 31, 2024 from ₹221 million in the nine months ended December 31, 2023, due to an increase in our purchase of accessories, spare parts and merchandise to support the growth of our business.

Change in inventories of finished goods, stock-in trade and work-in-progress

Closing inventories levels of finished goods, stock-in-trade and work-in progress increased to ₹722 million as of December 31, 2024 from ₹530 million as of December 31, 2023, primarily due to an increase in the production of vehicles in the nine months ended December 31, 2024 in anticipation for a rise in sale volumes. This resulted in the recognition of changes in the inventories of finished goods, stock-in trade and work-in-progress of ₹(552) million in the nine months ended December 31, 2024 as compared to ₹(105) million in the nine months ended December 31, 2023.

Employee benefits expenses

Our employee benefits expenses increased to ₹3,033 million in the nine months ended December 31, 2024 from ₹2,151 million in the nine months ended December 31, 2023, due to an increase in the size of our workforce to support the ramp-up in production of the Ather Rizta, the growth in sales of our E2Ws, and an increase in the salaries paid to our employees, in addition to the increased share-based payment expense on grant of additional options. We had 1,575 on-roll employees as of December 31, 2024, as compared to 1,450 on-roll employees as of

December 31, 2023. Further, our employee share based payment expenses increased to ₹610 million in the nine months ended December 31, 2024 from ₹63 million in the nine months ended December 31, 2023 due to the grant of new share options.

Finance Costs

Our finance costs increased to ₹821 million in the nine months ended December 31, 2024 from ₹699 million in the nine months ended December 31, 2023, primarily due to an increase in borrowings.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased to ₹1,258 million in the nine months ended December 31, 2024 from ₹1,090 million in the nine months ended December 31, 2023. Depreciation and amortisation expense increased due to our increased investments in property, plant and equipment (“PPE”), leases and other intangible assets, as we expanded our business operations and continued investing in our manufacturing facilities.

Other expenses

Our other expenses increased to ₹3,712 million in the nine months ended December 31, 2024 from ₹3,176 million in the nine months ended December 31, 2023, primarily due to an increase in advertisement and marketing, legal, professional and consultancy charges and freight and carriage outwards. Advertisement and marketing expense increased to ₹1,006 million in the nine months ended December 31, 2024 from ₹591 million in the nine months ended December 31, 2023, primarily due to an increase in brand promotions and other marketing initiatives for the launch of Rizta and Halo smart helmet, and continued marketing of the 450 series. Legal, professional and consultancy charges increased to ₹586 million in the nine months ended December 31, 2024 from ₹410 million in the nine months ended December 31, 2023, primarily due to increased expenditures in relation to contractors, legal and tax consultants as well as other expert services necessary to support our growth. Freight and carriage outwards increased to ₹225 million in the nine months ended December 31, 2024 from ₹138 million in the nine months ended December 31, 2023 primarily due to an increase in sales volume. The aforementioned increase in other expenses was partially offset by a reduction in loss on fair value measurement of financial liabilities by ₹210 million from the nine months ended December 31, 2023 to the nine months ended December 31, 2024, as a result of the settlement of such financial liabilities.

R&D expenditure increased to ₹2,388 million in the nine months ended December 31, 2024 from ₹1,637 million in the nine months ended December 31, 2023 as we continued to invest in R&D and grow our business.

Exceptional Items

Exceptional items amounted to ₹1,746 million in nine months ended December 31, 2023, which consisted of ₹1,578 million in refund of charger price to customers who purchased the Ather 450X prior to April 13, 2023, and ₹168 million for refund of FAME incentive for differential battery capacity.

Loss for the period

As a result of the foregoing factors, our loss for the period decreased to ₹5,779 million in the nine months ended December 31, 2024 from a loss of ₹7,764 million in the nine months ended December 31, 2023.

Fiscal Year 2024 compared to Fiscal Year 2023

Revenue from operations

Our revenue from operations slightly decreased to ₹17,538 million in Fiscal Year 2024 from ₹17,809 million in Fiscal Year 2023. The decrease was mainly due to the reduction in the FAME subsidies. The subsidies were reduced from ₹15,000 per kWh to ₹10,000 per kWh, with effect from June 1, 2023. As a result of the reduced FAME subsidy, our customers faced an increase in the retail price of our E2Ws ranging from ₹20,434 to ₹30,285. However, in response to the reduction in the FAME subsidy, we launched new variants with lower battery capacity at lower prices, namely, the Ather 450X (2.9 kWh) and Ather 450S, to attract customers. Further in August 2023 and January 2024, we launched our higher battery capacity variants, the Ather 450X (3.7 kWh) and the Ather 450 Apex, respectively. The Ather 450 Apex is our most premium E2W model.

These new launches enabled us to increase sales volume of E2Ws to 109,557 E2Ws sold in Fiscal Year 2024 (comprising 22,712 units of the Ather 450S, 39,067 units of the Ather 450X, 11,249 units of Ather 450X (2.9

kWh), 35,999 units of Ather 450X (3.7 kWh) and 550 units of the Ather 450 Apex) as compared to 92,093 E2Ws sold in Fiscal Year 2023 (comprising 92,093 units of the Ather 450X), with the new Ather 450S contributing significantly to sales. Nonetheless, given the lower price of the Ather 450S and the 6% decrease in the sales of our flagship Ather 450X model, our revenue from sale of E2Ws declined.

Despite the decrease in revenue from E2Ws, our revenue from sale of finished goods increased slightly to ₹15,819 million in Fiscal Year 2024 from ₹14,327 million in Fiscal Year 2023. This increase is mainly attributable to the increase in the sales volume of our E2Ws and the change in our policies whereby we ceased selling our standard portable chargers separately from our E2Ws as sale of stock-in-trade and priced the chargers into the retail price of the E2Ws from April 13, 2023 onwards.

Our sale of services decreased to ₹1,190 million in Fiscal Year 2024 from ₹1,397 million in Fiscal Year 2023 due to the introduction of a lower priced Pro Pack bundle for our low battery capacity variants.

Other income

Our other income increased to ₹353 million in Fiscal Year 2024 from ₹209 million in Fiscal Year 2023, mainly due to an increase in the interest income on term deposits to ₹164 million in Fiscal Year 2024 from ₹75 million in Fiscal Year 2023 as a result of an increase in the interest rate on our term deposits and an increased average holding of funds in our term deposits.

Expenses

Our total expenses increased to ₹26,742 million in Fiscal Year 2024 from ₹26,663 million in Fiscal Year 2023, primarily due to an increase in cost of materials consumed in the production of our E2Ws, changes in inventories of finished goods, stock-in-trade and work-in-progress, employee benefits expense, finance costs and depreciation and amortisation expenses, in line with the growth in sales of our E2Ws. Our total expenses as a percentage of total income were 149% in Fiscal Year 2024 as compared to 148% in Fiscal Year 2023.

Cost of materials consumed

Our cost of materials consumed increased to ₹15,792 million in Fiscal Year 2024 from ₹15,370 million in Fiscal Year 2023, primarily due to an increase in the production of E2Ws to meet the higher sales volume of our E2Ws and the shift in the recognition of the cost of chargers, whose prices were included within the price of E2Ws from April 13, 2023 onwards. The increase was partially offset by cost efficiencies generated through our in-house design and R&D initiatives, which lowered our average BOM cost per vehicle. Moreover, the launch of new E2W variants with lower battery capacity also decreased our overall volume of lithium-ion cells consumed in Fiscal Year 2024 as compared to that in Fiscal Year 2023, partially offsetting the increase in our cost of materials consumed. Other factors such as efficient design changes, commodity price reduction and multi-sourcing supplies for reduced acquisition costs, also partially offset the increase in our total cost of materials consumed. The cost of materials consumed represented 88% and 85% of our total income in Fiscal Years 2024 and 2023, respectively.

Purchase of stock-in-trade

Our purchase of stock-in-trade decreased to ₹279 million in Fiscal Year 2024 from ₹923 million in Fiscal Year 2023, as we began recognising the cost of chargers, whose prices were included within the price of E2Ws from April 13, 2023 onwards, as cost of materials consumed.

Change in inventories of finished goods, stock-in trade and work-in-progress

Closing inventories levels of finished goods, stock-in-trade and work-in progress decreased to ₹178 million as of March 31, 2024 from ₹456 million as of March 31, 2023 primarily due to an increase in sales of our E2Ws and accessories in the last quarter of Fiscal Year 2024. This resulted in the recognition of changes in the inventories of finished goods, stock-in trade and work-in-progress of ₹247 million in Fiscal Year 2024 as compared to ₹(339) million in Fiscal Year 2023.

Employee benefits expenses

Our employee benefits expenses increased to ₹3,692 million in Fiscal Year 2024 from ₹3,348 million in Fiscal Year 2023 primarily due to an increase in the salaries and welfare expenses paid to our employees. This increase was partially offset by the fully and semi-automated manufacturing processes, which led to the creation of operating efficiencies among our workforce. We had 1,458 on-roll employees as of March 31, 2024, as compared

to 1,487 on-roll employees as of March 31, 2023. Further, our employee share based payment expenses decreased to ₹754 million in Fiscal Year 2024 from ₹885 million in Fiscal Year 2023 due to the impact on the fair valuation of our shares, which was partially offset by an increase in expenses related to the cancellation of the Management Stock Option Plan 2022. For further details on the Management Stock Option Plan 2022, see “**Restated Financial Information – Notes forming part of the Restated Financial Information – Note 25: Employee Benefits Expense**” on page 405.

Finance Costs

Our finance costs increased to ₹890 million in Fiscal Year 2024 from ₹650 million in Fiscal Year 2023 primarily due to an increase in interest cost on borrowings and lease liabilities.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased to ₹1,467 million in Fiscal Year 2024 from ₹1,128 million in Fiscal Year 2023. Depreciation and amortisation expense increased due to our increased investments in property, plant and equipment (“PPE”), leases and other intangible assets, as we expanded our business operations and continued investing in our manufacturing facilities.

Other expenses

Our other expenses decreased to ₹4,375 million in Fiscal Year 2024 from ₹5,583 million in Fiscal Year 2023 primarily due to a decrease in advertisement and marketing, warranty costs and loss on fair value measurement of financial liabilities. Advertisement and marketing expense decreased to ₹907 million in Fiscal Year 2024 from ₹2,038 million in Fiscal Year 2023 mainly due to a reduction in marketing efforts as we sought to optimise marketing spends, foreseeing a slowdown in consumer demand given the reduction of regulatory incentives in respect of EVs under phase II of the FAME scheme. Warranty costs reduced to ₹429 million in Fiscal Year 2024 from ₹572 million in Fiscal Year 2023 due to a decreasing rate of product failure and associated costs. Further, the loss on fair value measurement of financial liabilities decreased to ₹224 million in Fiscal Year 2024 from ₹568 million in Fiscal Year 2023 as a result of the settlement of such financial liabilities.

R&D expenditure increased to ₹2,365 million in Fiscal Year 2024 from ₹1,916 million in Fiscal Year 2023 as we continued to invest in R&D and grow our business.

Exceptional items

Exceptional items amounted to ₹1,746 million in Fiscal Year 2024, which consisted of ₹1,578 million in refund of charger price to customers who purchased the Ather 450X prior to April 13, 2024, and ₹168 million for refund of FAME incentive for differential battery capacity. As of March 31, 2024, we have processed refunds of 92% of eligible customers for the former, and have processed 100% of the refunds for the latter.

Loss for the year

As a result of the foregoing factors, our loss for the year increased to ₹10,597 million in Fiscal Year 2024 from a loss of ₹8,645 million in Fiscal Year 2023.

Fiscal Year 2023 compared to Fiscal Year 2022

Revenue from operations

Our revenue from operations increased to ₹17,809 million in Fiscal Year 2023 from ₹4,089 million in Fiscal Year 2022 primarily due to an increase in the revenue per E2W through the launch and delivery of the Ather 450X (Gen 3) in January 2023. Further, the availability of the FAME subsidy, which effectively lowered the retail price of our E2Ws, led to an increase in sales volume of our E2Ws. In Fiscal Year 2023, we sold 92,093 units of Ather 450X compared to 23,402 units of Ather 450X in Fiscal Year 2022. This increase can also be attributed to the scale-up of our supply chain and our growth in our distribution network. The increase in sales volume resulted in a corresponding increase in our revenue from sale of finished goods to ₹14,327 million in Fiscal Year 2023 as compared to ₹3,703 million in Fiscal Year 2022.

Sale of our stock-in-trade, primarily accessories, chargers and spare parts, also increased to ₹2,072 million in Fiscal Year 2023 from ₹89 million in Fiscal Year 2022, in line with the growth in sales of our E2Ws. Revenue from sale of services also increased to ₹1,397 million in Fiscal Year 2023 from ₹293 million in Fiscal Year 2022.

as sales of our performance upgrade software (prior to the introduction of the Pro Pack) grew in line with the increase in sales of our E2Ws.

Other income

Our other income increased to ₹209 million in Fiscal Year 2023 from ₹49 million in Fiscal Year 2022 primarily due to an increase in income from investment of surplus fund in liquid mutual funds to ₹118 million in Fiscal Year 2023 from ₹20 million in Fiscal Year 2022. Interest income on term deposits increased to ₹75 million in Fiscal Year 2023 from ₹18 million in Fiscal Year 2022 as we also invested surplus fund into short term deposits during Fiscal Year 2023.

Expenses

Our total expenses increased to ₹26,663 million in Fiscal Year 2023 from ₹7,579 million in Fiscal Year 2022 primarily due to an increase in cost of materials consumed in the production of our E2Ws, purchase of stock-in-trade, employee benefits expenses and other expenses, in line with the growth in sales of our E2Ws. Our total expenses as a percentage of total income was 148% in Fiscal Year 2023 compared to 183% in Fiscal Year 2022.

Cost of materials consumed

Our cost of materials consumed increased to ₹15,370 million in Fiscal Year 2023 from ₹3,482 million in Fiscal Year 2022 in line with the increase in the production and sale of our E2Ws and the launch of the Ather 450X (Gen 3) in January 2023. Further, the Ather 450X (Gen 3) utilises a larger battery pack, which increased the overall volume of lithium-ion cells consumed. This increase was partially offset by our in-house R&D and design initiatives, which reduced BOM cost. The cost of materials consumed represented 85% and 84% of our total income in Fiscal Years 2023 and 2022, respectively.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased to ₹923 million in Fiscal Year 2023 from ₹201 million in Fiscal Year 2022 due to an increase in our purchase of accessories, chargers, spare parts and merchandise to support the growth of our business.

Change in inventories of finished goods, stock-in trade and work-in-progress

Closing stock levels of finished goods, stock-in-trade and work-in-progress increased to ₹456 million as of March 31, 2023 from ₹117 million as of March 31, 2022 due to an increase in the purchase of inventories in Fiscal Year 2023 in anticipation for a rise in sale volumes. This resulted in the recognition of changes in the inventories of finished goods, stock-in trade and work-in-progress of ₹(339) million in Fiscal Year 2023 as compared to ₹155 million in Fiscal Year 2022.

Employee benefits expense

Our employee benefits expense increased to ₹3,348 million in Fiscal Year 2023 from ₹1,139 million in Fiscal Year 2022 due to an increase in the size of our workforce, especially the increase in our R&D teams, to support the growth in sales of our E2Ws and an increase in the salaries paid to our employees, in addition to the increased share-based payment expense on grant of additional options. We had 1,487 on-roll employees as of March 31, 2023, as compared to 820 on-roll employees as of March 31, 2022. Employee share based payment expenses increased to ₹885 million in Fiscal Year 2023 from ₹276 million in Fiscal Year 2022 due to the grant of new share options and the cash settlement of vested options.

Finance Costs

Our finance costs increased to ₹650 million in Fiscal Year 2023 from ₹407 million in Fiscal Year 2022 mainly due to an increase in borrowings from banks and other financial institutions to finance our business operations.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased to ₹1,128 million in Fiscal Year 2023 from ₹484 million in Fiscal Year 2022. Depreciation and amortisation expense increased due to our increased investments in PPE, leases and other intangible assets, as we expanded our business operations and continued investing in our manufacturing facilities.

Other expenses

Our other expenses increased to ₹5,583 million in Fiscal Year 2023 from ₹1,711 million in Fiscal Year 2022 primarily due to an increase in advertisement and marketing, legal professional and consultancy charges, loss on fair value measurement of financial liabilities, warranty costs, assets discarded and software licence fees, mainly attributable to the increase in sale of E2Ws. Our advertisement and marketing expense increased to ₹2,038 million in Fiscal Year 2023 from ₹455 million in Fiscal Year 2022 primarily due to an increase in the amount of our brand promotions and the launch of other marketing initiatives. Our legal, professional and consultancy charges increased to ₹612 million in Fiscal Year 2023 from ₹252 million in Fiscal Year 2022 due to increased expenditures in relation to contractors, legal and tax consultants as well as other expert services necessary to support our growth. Loss on fair value measurement of financial liabilities increased to ₹568 million in Fiscal Year 2023 from ₹137 million in Fiscal Year 2022 as a result of an increase in the fair value of our share price. Warranty costs increased to ₹572 million in Fiscal Year 2023 from ₹204 million in Fiscal Year 2022 due to an increase in the sale volume of our E2Ws. Moreover, our software licensing fees increased to ₹126 million in Fiscal Year 2023 from ₹59 million in Fiscal Year 2022 as a result of increased subscription to various software and the expansion of our distribution channel.

R&D expenditure increased to ₹1,916 million in Fiscal Year 2023 from ₹1,010 million in Fiscal Year 2022 as we continued to invest in R&D and grow our business.

Loss for the year

As a result of the foregoing factors, our loss for the year increased to ₹8,645 million in Fiscal Year 2023 from a loss of ₹3,441 million in Fiscal Year 2022.

Key Performance Indicators

When evaluating our business, we consider and use certain key performance indicators (“KPIs”), as outlined below, as a supplemental measure to review and assess our financial and operating performance. These KPIs are not intended to be viewed in isolation or as a substitute for the Restated Financial Information. We present these KPIs because we use them to evaluate our financial and operating performance. However, these KPIs have limitations as analytical tools and may differ from similar metrics used by other companies, including our peers, hence limiting their comparability.

While most of these KPIs are not calculated in accordance with applicable accounting standards, our Company’s management believes that they provide an additional tool for investors to use in evaluating our ongoing operating results and trends, and in comparing our financial results with other companies in our industry. This is because they offer consistency and comparability with past financial performance when considered alongside the Restated Financial Information.

| Particulars | Units | As of and in the Nine Months Ended December 31, | | As of and in Fiscal Year | | |
|--|---------------------|---|-----------------|--------------------------|-----------------|-----------------|
| | | 2024 | 2023 | 2024 | 2023 | 2022 |
| Vehicles Sold [#] | Number in thousands | 108 [^] | 74 [^] | 110 [^] | 92 [^] | 23 [^] |
| Year-on-year / period-on-period growth of Vehicles Sold ^{(1) #} | (%) | 45% | N.A. | 19% | 294% | 373% |
| Revenue from Operations [#] | INR in Million | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| Year-on-year / period-on-period growth in Revenue from Operations ^{(2) #} | (%) | 28% | N.A. | (2%) | 336% | 412% |
| Adjusted Gross Margin ^{(3) #} | (%) | 19% | 9% | 9% | 11% | 7% |
| EBITDA ^{(4) #} | INR in Million | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |
| EBITDA Margin ^{(5) #} | (%) | (23%) | (34%) | (36%) | (38%) | (62%) |
| Revenue Mix [#] | | | | | | |
| - Sale of Vehicles ^{(6) #} | (%) | 88% | 90% | 90% | 80% | 91% |
| - Sale of Non-Vehicle ^{(7) #} | (%) | 12% | 10% | 10% | 20% | 9% |
| Revenue per unit of Two Wheeler Vehicle Sold ^{(8) #} | In INR | 129,001 | 148,180 | 143,333 | 155,571 | 158,192 |
| Profit / (Loss) for the year / | INR in | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |

| Particulars | Units | As of and in the Nine Months Ended December 31, | | As of and in Fiscal Year | | |
|---|---------|---|-------|--------------------------|-------|-------|
| | | 2024 | 2023 | 2024 | 2023 | 2022 |
| period [#] | Million | | | | | |
| Profit / (Loss) for the year / period Margin ⁽⁹⁾ # | (%) | (36%) | (62%) | (59%) | (48%) | (83%) |
| Working Capital Days ⁽¹⁰⁾ # | Days | (48) | (21) | (46) | (21) | (33) |
| E2W Market Share* | (%) | 10.7% | 11.3% | 11.5% | 10.6% | 7.9% |

[#]As certified by Manian & Rao, Chartered Accountants, by their certificate dated April 22, 2025.

*Source: CRISIL Report.

[^]Figures disclosed have been rounded off. Actual figures are 107,983 (in the nine months ended December 31, 2024), 74,333 (in the nine months ended December 31, 2023), 109,577 (in Fiscal Year 2024), 92,093 (in Fiscal Year 2023) and 23,402 (in Fiscal Year 2022).

Notes:

- (1) Year-on-year / period-on-period growth of Vehicles Sold (%) is calculated as ((Number of vehicles sold during the relevant Fiscal Year/period – Number of vehicles sold during the relevant previous Fiscal Year/period) / Number of vehicles sold during the relevant previous Fiscal Year/period) *100
- (2) Year-on-year / period-on-period growth in Revenue from Operations (%) is calculated as ((Revenue from operations during the relevant Fiscal Year/period – revenue from operations during the relevant previous Fiscal Year/period) / revenue from operations during the relevant previous Fiscal Year/period) *100
- (3) Adjusted Gross Margin (%) is calculated as adjusted gross margin (₹) divided by total income in the relevant Fiscal Year/period *100. Where in Adjusted Gross Margin (₹) is calculated as total income reduced by Cost of materials consumed, Purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress.
- (4) EBITDA is calculated as Profit / (Loss) before exceptional items and tax reduced by finance costs and depreciation and amortisation expenses.
- (5) EBITDA Margin (%) is calculated as EBITDA divided by Total Income *100.
- (6) Revenue Mix – Sale of Vehicles (%) is calculated as Revenue from sale of vehicles divided by revenue from operations *100.
- (7) Revenue Mix –Sale of Non-Vehicle (%) is calculated as revenues from operations reduced by revenue from sale of vehicles divided by Revenue from Operations *100.
- (8) Revenue per unit of Two-wheeler Vehicle Sold is calculated as Revenue from sale of two wheeler vehicles during the Fiscal Year/period divided by the number of two wheeler vehicles sold during the relevant Fiscal Year/period.
- (9) Profit / (Loss) for the year/period margin (%) is calculated as Profit / (Loss) for the Fiscal Year/period divided by total income in the relevant Fiscal Year/period *100.
- (10) Working Capital Days is computed as Trade Receivables days plus inventory days minus trade payable days; Wherein, Trade Receivable Days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Financial Years or 275 days in the nine months ended December 31 (as applicable), Inventory Days is calculated as average inventory divided by cost of goods sold multiplied by 365 for Financial Years or 275 days in the nine months ended December 31 (as applicable), and Trade Payable Days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for Financial Years or 275 days in the nine months ended December 31 (as applicable). Further Cost of Goods Sold is the sum of Cost of materials consumed, Purchase of stock-in-trade and Change in inventories of finished goods, stock-in-trade and work-in-progress.

Our revenue per unit of two wheeler vehicles sold decreased to ₹129,001 in the nine months ended December 31, 2024 from ₹148,180 in the nine months ended December 31, 2023, primarily due to an increase in the sale of our entry level 450S and Rizta S variants and a decrease in Government subsidies. In Fiscal Year 2024, our revenue per unit of two wheeler vehicles sold decreased to ₹143,333 from ₹155,571 in Fiscal Year 2023 and ₹158,192 in Fiscal Year 2022 primarily due to the introduction of lower battery capacity variants in response to the decrease of the FAME subsidies. The increase in the sales of our lower battery capacity variants, and the decrease in the sales of our more expensive model, the Ather 450X, resulted in the reduction in our average revenue per unit.

Non-GAAP Measures

When evaluating our business, we consider and use certain non-GAAP financial measures, as presented below, as supplemental measures to review and assess our financial performance. These are, namely Adjusted gross margin, Adjusted Gross Margin (%), Earnings Before Interest, Taxes, Depreciation, and Amortisation (“EBITDA”), EBITDA Margin (%), Profit / (Loss) For The Year Margin (%), Net Worth, Return on Net Worth (%), Net Asset Value Per Equity share, Cost of Goods Sold and Working Capital Days. Such non-GAAP measures are not intended to be viewed in isolation or as a substitution for the Restated Financial Information. We present these in this Red Herring Prospectus because they are used by us to evaluate our operating performance. These non-GAAP measures are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP, and have limitations as analytical tools. Further, these non-GAAP financial measures may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operations. The principal limitation of these non-GAAP measures is that they exclude significant expenses that are required by Ind AS to be recorded in our financial statements, as further detailed below. A reconciliation is provided below for each non-GAAP measure to the most directly comparable Ind AS measure. Investors are encouraged to review

the related GAAP measures and the reconciliation of non-GAAP measures to their most directly comparable GAAP measure included below and to not rely on any single financial measure to evaluate our business. Although these Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

See “**Risk Factors – External Risks – Risks Related to India – Indian accounting standard (“Ind AS”) and other accounting principles, such as international financial reporting standards (“IFRS”) and United States generally accepted accounting principles (“US GAAP”) have significant differences, which may be material to investors’ assessments of our financial condition.**” on page 101.

| Particulars | Nine months ended December 31, | | Fiscal Year | | |
|---|-----------------------------------|---------|-------------|---------|---------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| Adjusted Gross Margin (₹ million) ⁽¹⁾ | 3,045 | 1,098 | 1,573 | 2,064 | 300 |
| Adjusted Gross Margin (%) ⁽²⁾ | 19% | 9% | 9% | 11% | 7% |
| EBITDA (₹ million) ⁽³⁾ | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |
| EBITDA Margin (%) ⁽⁴⁾ | (23%) | (34%) | (36%) | (38%) | (62%) |
| Profit / (Loss) For The Year/Period Margin (%) ⁽⁵⁾ | (36%) | (62%) | (59%) | (48%) | (83%) |
| Net Worth (₹ million) ⁽⁶⁾ | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| Return on Net Worth (“RoNW”) (%) ⁽⁷⁾ | (535%) | (92%) | (194%) | (141%) | (153%) |
| NAV per Equity Share (₹) ⁽⁸⁾ | 4 | 39 | 24 | 34 | 18 |
| Cost of Goods Sold (₹ million) ⁽⁹⁾ | 13,129 | 11,439 | 16,318 | 15,954 | 3,838 |
| Working Capital Days ⁽⁹⁾ (days) | (48) | (21) | (46) | (21) | (33) |

Notes:

- (1) Adjusted Gross Margin: total income less cost of material consumed, purchase of stock-in-trade and change in inventories of finished goods, stock-in-trade and work-in-progress.
- (2) Adjusted Gross Margin (%): Adjusted Gross Margin divided by total income*100.
- (3) EBITDA: loss before exceptional items and tax reduced by finance costs and depreciation and amortisation expenses.
- (4) EBITDA Margin: EBITDA divided by total income*100.
- (5) Profit / (Loss) For The Year/Period Margin (%): Profit / (Loss) for the Fiscal Year/period divided by Total income*100
- (6) Net Worth: Net-worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the restated financial information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- (7) RoNW: Loss For The Year/Period divided by Net Worth*100.
- (8) NAV per Equity Share: Net Asset Value per Equity Share (in ₹) is computed as Net Worth at the end of the Fiscal Year/period divided by weighted average number of Equity Shares outstanding during the Fiscal Year/period.
- (9) Working Capital Days: Trade Receivables days plus inventory days minus trade payable days; Wherein, Trade Receivable Days is calculated as average trade receivables divided by revenue from operations multiplied by 365 for Financial Years and 275 days for the nine months ended, Inventory Days is calculated as average inventory divided by cost of goods sold multiplied by 365 for Financial Years and 275 days for the nine months ended and Trade Payable Days is calculated as average trade payables divided by cost of goods sold multiplied by 365 for Financial Years and 275 days for the nine months ended. Further Cost of Goods Sold is the sum of Cost of materials consumed, Purchase of stock-in-trade and Change in inventories of finished goods, stock-in-trade and work-in-progress.

Reconciliation of Adjusted Gross Margin and Adjusted Gross Margin (%)

The following table reconciles Adjusted Gross Margin and Adjusted Gross Margin (%) to total income for the Fiscal Years/Periods presented:

| Particulars | Nine months ended December 31, | | Fiscal Year | | |
|--|-----------------------------------|--------------|--------------|--------------|------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| (in ₹ million, except as indicated otherwise) | | | | | |
| Total income (A) | 16,174 | 12,537 | 17,891 | 18,018 | 4,138 |
| Less: | | | | | |
| Cost of material consumed (B) | 13,069 | 11,323 | 15,792 | 15,370 | 3,482 |
| Purchase of stock-in-trade (C) | 612 | 221 | 279 | 923 | 201 |
| Change in inventories of finished goods, stock-in-trade and work-in-progress (D) | (552) | (105) | 247 | (339) | 155 |
| Adjusted Gross Margin (E) (E = A-B-C-D) | 3,045 | 1,098 | 1,573 | 2,604 | 300 |
| Adjusted Gross Margin (%) (E/A) | 19%* | 9%* | 9% | 11% | 7% |

*Not annualised

Reconciliation of EBITDA and EBITDA Margin

The following table reconciles EBITDA and EBITDA Margin to loss before exceptional items and tax for the Fiscal Years/Periods presented:

| Particulars | Nine months ended December 31, | | Fiscal Year | | |
|---|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| (in ₹ million, except as indicated otherwise) | | | | | |
| Total income (A) | 16,174 | 12,537 | 17,891 | 18,018 | 4,138 |
| Loss before exceptional items and tax (B) | (5,779) | (6,018) | (8,851) | (8,645) | (3,441) |
| Add: | | | | | |
| Finance costs (C) | 821 | 699 | 890 | 650 | 407 |
| Depreciation and amortisation expenses (D) | 1,258 | 1,090 | 1,467 | 1,128 | 484 |
| EBITDA (E) (E = B+C+D) | (3,700) | (4,229) | (6,494) | (6,867) | (2,550) |
| EBITDA Margin (%) (E/A) | (23%)* | (34%)* | (36%)* | (38%)* | (62%)* |

*Not annualised

Reconciliation of Profit / (Loss) For The Year Margin (%)

The following table reconciles Profit / (Loss) For The Year Margin (%) for the Fiscal Years/periods presented:

| Particulars | Nine months ended December 31, | | Fiscal Year | | |
|---|-----------------------------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| (in ₹ million, except as indicated otherwise) | | | | | |
| Total income (A) | 16,174 | 12,537 | 17,891 | 18,018 | 4,138 |
| Loss for the year / period (B) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| Profit / (Loss) for the year / period | | | | | |
| Margin (%) (B/A) | (36%)* | (62%)* | (59%)* | (48%)* | (83%)* |

*Not annualised

Reconciliation of Net Worth and RoNW (%)

The following table reconciles Net Worth and RoNW (%) for the Fiscal Years/periods presented:

| Particulars | As of December 31, | | Fiscal Year | | |
|---|--------------------|---------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| (in ₹ million, except as indicated otherwise) | | | | | |
| Equity share capital (₹)(A) | 30,807,396 | 241,640 | 241,640 | 241,640 | 241,440 |
| Instruments entirely equity in nature (B) | 8 | 8 | 8 | 6 | 7 |
| Other equity (C) | 1,041 | 8,427 | 5,451 | 6,131 | 2,242 |
| Net Worth (D = A+B+C) | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| Loss for the year / period (E) | (5,779) | (7,764) | (10,597) | (8,645) | (3,441) |
| RoNW (%) (E/D) | (535%)* | (92%)* | (194%)* | (141%)* | (153%)* |

*Not annualised

Reconciliation of NAV per Equity Share (%)

The following table reconciles NAV per Equity Share for the Fiscal Years/Periods presented:

| Particulars | Nine months ended December 31, | | Fiscal Year | | |
|--|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| (in ₹ million, except as indicated otherwise) | | | | | |
| Net Worth (A) | 1,080 | 8,435 | 5,459 | 6,137 | 2,249 |
| Weighted average number of equity shares outstanding considered for calculation of basic earning per share (B) | 248,515,284 | 216,104,513* | 223,949,224* | 179,852,541* | 128,421,345* |
| Net Asset Value per Equity Share (A/B) | 4[#] | 39[#] | 24[*] | 34[*] | 18[*] |

* The Board of Directors of our Company in its meeting held on June 18, 2024 and Shareholders of our Company in the Extraordinary General Meeting held on June 21, 2024 approved the issuance of bonus equity share of ₹ 1 each in the ratio of 260:1 and 224:1 for the equity shares of ₹1 each and for the equity shares

of ₹ 37 each respectively and also approved the sub-division of 3,530 equity shares of ₹37 each into 1,30,610 equity shares of ₹ 1 each. The conversion ratio of the CCPS into Equity Shares and the employee stock options along with its price per option have been adjusted accordingly. The number of shares used for the calculation of earnings per share and net asset value per share have been adjusted for pursuant to Paragraph 64 of Ind AS 33 – “Earnings Per Share”, prescribed under Section 133 of the Companies Act, 2013.

Not annualized

Reconciliation for Cost of Goods Sold and Working Capital Days

The following table reconciles Cost of Goods Sold and Working Capital Days for the Fiscal Years/Periods presented:

| Particulars | Nine months ended December 31, | | Fiscal Year | | |
|--|---|----------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (in ₹ million, except as indicated otherwise) | | | | |
| Cost of materials consumed (A) | 13,069 | 11,323 | 15,792 | 15,370 | 3,482 |
| Purchase of stock-in-trade (B) | 612 | 221 | 279 | 923 | 201 |
| Change in inventories of finished goods, stock-in-trade and work-in-progress (C) | (552) | (105) | 247 | (339) | 155 |
| Cost of Goods Sold (D) = (A+B+C) | 13,129 | 11,439 | 16,318 | 15,954 | 3,838 |
| Opening Trade receivable (E) | 16 | 12 | 12 | 10 | - |
| Closing Trade receivable (F) | 103 | 13 | 16 | 12 | 10 |
| Average Trade receivable (G = (E+F)/2) | 60 | 13 | 14 | 11 | 5 |
| Revenue from Operation (H) | 15,789 | 12,304 | 17,538 | 17,809 | 4,089 |
| Trade receivable Days (I) = (G*365/H) or (G*275/H), as applicable | 1 | 0[^] | 0[^] | 0[^] | 0[^] |
| Opening Inventory (J) | 1,167 | 2,574 | 2,574 | 607 | 567 |
| Closing Inventory (K) | 2,227 | 1,737 | 1,167 | 2,574 | 607 |
| Average Inventory (L = (I+K)/2) | 1,697 | 2,156 | 1,871 | 1,591 | 587 |
| Inventory Capital Days (M) = (L*365/D) or (L*275/D), as applicable | 36 | 52 | 42 | 36 | 56 |
| Opening Trade Payables (N) | 4,027 | 3,837 | 3,837 | 1,209 | 676 |
| Closing Trade Payables (O) | 4,121 | 2,231 | 4,027 | 3,837 | 1,209 |
| Average Trade Payables (P = (N+O)/2) | 4,074 | 3,034 | 3,932 | 2,523 | 943 |
| Trade Payables Days (Q) = (P*365/D) or (P*275/D), as applicable | 85 | 73 | 88 | 58 | 90 |
| Working Capital Days (I+M-Q) | (48) | (21) | (46) | (21) | (33) |

[^]0 denotes less than 0.5 day

Selected Restated Statement of Assets and Liabilities

The table below sets forth the principal components of our total assets, equity and liabilities as of the dates indicated in the table below:

| Particulars | As of December 31, 2024 | 2024 | As of March 31, 2023 | 2022 |
|-------------------------------------|----------------------------|---------------|-------------------------|--------------|
| | (in ₹ million) | | | |
| Total non-current assets | 9,050 | 6,841 | 6,685 | 5,261 |
| Total current assets | 12,670 | 12,294 | 13,083 | 2,925 |
| Total assets | 21,720 | 19,135 | 19,768 | 8,186 |
| Total equity | 1,080 | 5,459 | 6,137 | 2,249 |
| Total non-current liabilities | 4,505 | 2,912 | 3,436 | 1,993 |
| Total current liabilities | 16,135 | 10,764 | 10,195 | 3,944 |
| Total liabilities | 20,640 | 13,676 | 13,631 | 5,937 |
| Total equity and liabilities | 21,720 | 19,135 | 19,768 | 8,186 |

Our total non-current assets were ₹5,261 million as of March 31, 2022, increasing by 27% and 2% to ₹6,685 million and ₹6,841 million as of March 31, 2023 and March 31, 2024, respectively, and further increasing by 32% to ₹9,050 million as of December 31, 2024. The increase in our non-current assets was primarily due to an increase in our investments in our manufacturing facilities and development expenditure incurred on internally generated

intangible assets, namely (i) property, plant and equipment, (ii) capital work-in-progress, (iii) intangible assets and (iv) intangible assets under development, and an increase in right of use assets arising from new lease agreements entered into in relation to the expansion of our Hosur Factory, Factory 3.0, R&D facilities and corporate office. Non-current balances with government authorities increased from ₹649 million as of March 31, 2023 to ₹982 million as of March 31, 2024 and to ₹1,176 million as of December 31, 2024 primarily due to the accumulation of input tax credits availed on GST paid for purchases of materials and services, which can be used to discharge GST liabilities in the future.

Our total current assets were ₹2,925 million as of March 31, 2022, increasing by 347% and decreasing by 6% to ₹13,083 million and ₹12,294 million as of March 31, 2023 and March 31, 2024, respectively, and further increasing by 3% to ₹12,670 million as of December 31, 2024. The increase as of March 31, 2023 was primarily due to an increase in inventories, investments and other financial assets mainly from an increase in EV subsidy receivables rising from higher E2W sales volumes. While the decrease as of March 31, 2024 was primarily due to a reduction in inventories and other financial assets mainly from a decrease in EV subsidy receivables. EV subsidy receivable decreased from ₹3,423 million as of March 31, 2023 to ₹845 million as of March 31, 2024. The reduction was due to the decrease in the maximum amount of incentives available from ₹15,000 per kWh as of May 31, 2023 to ₹10,000 per kWh from June 1, 2023, and release of the subsidy by the authority in the last quarter of the Fiscal Year 2024. Current balances with government authorities increased from ₹1,615 million as of March 31, 2023 to ₹2,293 million as of March 31, 2024 primarily due to outstanding GST refunds which were received after the end of Fiscal 2024 and the accumulation of input tax credits on GST paid for purchases of materials and services, which can be used to discharge GST liabilities in the future. Term deposit accounts increased from ₹2 million as of March 31, 2023 to ₹1,344 million as of March 31, 2024 primarily due to the receipt of EV subsidies in the last quarter of Fiscal 2024, which were temporarily placed in term deposits. The increase in current assets as of December 31, 2024 from March 31, 2024 was primarily due to an increase in inventories, other bank balance on account of temporary placement of proceeds from issuance of Series G CCPS and balances with government authorities in relation to accumulated tax credits and outstanding refunds.

Our total equity was ₹2,249 million as of March 31, 2022, increasing to ₹6,137 million and decreasing to ₹5,459 million as of March 31, 2023 and March 31, 2024, respectively, and further decreasing to ₹1,080 million as of December 31, 2024. The increase as of March 31, 2023 was primarily due to the issuance of compulsorily convertible preference shares (“CCPS”) and equity shares of ₹11,998 million during Fiscal Year 2023, which was partially offset by our loss before tax of ₹8,645 million, while the decrease as of March 31, 2024 was primarily a result of our operating loss, which led to a decrease in retained earnings. The decrease as of December 31, 2024 from March 31, 2024 was primarily due to loss before tax of ₹5,779 million which was partially offset by the proceeds from issue of CCPS (including security premium) during the period of ₹866 million.

Our total non-current liabilities was ₹1,993 million as of March 31, 2022, increasing to ₹3,436 million and decreasing to ₹2,912 million as of March 31, 2023 and March 31, 2024 respectively, and further increasing to ₹4,505 million as of December 31, 2024. The increase as of March 31, 2023 was primarily due to an increase in lease liabilities as a result of a new lease agreement for the expansion of our Hosur Factory, R&D facilities and corporate office, increased borrowings and an increase in our warranty and employee provisions. The decrease in total non-current liabilities as of March 31, 2024 was primarily due to the repayment of our borrowings and payment of lease liabilities, partially offset by an increase in non-current deferred revenue from nil as of March 31, 2023 to ₹358 million as of March 31, 2024, comprising deferred revenue from sale of extended battery warranties and subscription income deferred over the period of service, in accordance with Ind AS 115 “Revenue from Contracts with Customers.” The increase as of December 31, 2024 from March 31, 2024 was primarily due to an increase in borrowings from ₹309 million as of March 31, 2024 to ₹1,602 million as of December 31, 2024 and deferred revenue from ₹358 million as of March 31, 2024 to ₹650 million as of December 31, 2024.

Our total current liabilities was ₹3,944 million as of March 31, 2022, increasing to ₹10,195 million and ₹10,764 million as of March 31, 2023 and March 31, 2024, respectively, and further increasing to ₹16,135 million as of December 31, 2024. The increase was primarily due to our increased utilization of credit facilities to meet working capital requirements, increased borrowing, advances received from customers and outstanding dues of creditors. Further, current borrowings increased from ₹2,840 million as of March 31, 2024 to ₹9,614 million as of December 31, 2024 mainly on account of the classification of ₹6,000 million of Series G CCPS to be converted into equity shares, as borrowings in accordance with Ind AS 32 “Financial Instruments: Presentation”. The current portion of deferred revenue also increased from ₹22 million as of March 31, 2023 to ₹121 million as of March 31, 2024 and to ₹165 million as of December 31, 2024 due to the deferment of revenue from the sale of extended battery warranties and subscription income deferred over the period of service, in accordance with Ind AS 115 “Revenue from Contracts with Customers.”

The following table provides a breakdown of statutory dues payable as of the dates indicated.

| Statutory Dues Payable | As of December 31, 2024 | 2024 (₹ million) | As of March 31, 2023 | 2022 |
|--------------------------------|------------------------------------|-----------------------------|---------------------------------|-------------|
| <i>Tax deducted at source</i> | 60 | 430 | 80 | 26 |
| <i>GST</i> | 3 | 1 | 1 | 0* |
| <i>Provident fund</i> | 24 | 22 | 23 | 8 |
| <i>National Pension Scheme</i> | 3 | 2 | - | - |
| <i>Professional Levy</i> | 0* | 0* | 0* | 0* |
| <i>Equalisation Levy</i> | 0* | - | 0* | 0* |
| <i>Labour Welfare Fund</i> | 0* | - | - | - |
| Total | 90 | 455 | 105 | 35 |

*Denotes less than ₹0.5 million

The current portion of statutory dues payable increased from ₹35 million as of March 31, 2022 to ₹105 million as of March 31, 2023, in line with the growth of our business. Statutory dues payable further increased from ₹105 million as of March 31, 2023 to ₹455 million as of March 31, 2024 and reduced to ₹90 million as of December 31, 2024 due to a one-time liability of ₹346 million towards tax deducted at source on consideration payable for cancellation of a share-based payment transaction and bonus payment, discharged subsequent to March 31, 2024 and before December 31, 2024, within permitted timelines.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations and capital expenditures. We have met these requirements through additional equity infusions and borrowings. As of December 31, 2024, we had ₹469 million in cash and cash equivalents, ₹3,003 million as other balances with banks, ₹2,377 million in investment in liquid mutual funds, ₹103 million in term deposits (with balance maturity of more than 12 months), ₹1,602 million in non-current borrowings and ₹3,614 million in current borrowings (excluding proceeds from Series G CCPS of ₹6,000 million to be converted into equity shares). We believe that, after taking into account the expected cash to be generated from our operations, our borrowings and proceeds from this Offering, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for the next 12 months.

Cash Flows

The table below summarises the statement of cash flows, as per our restated cash flow statements, for the periods indicated:

| Particulars | As of December 31, 2024 | 2024 (in ₹ million) | As of March 31, 2023 | 2022 |
|--|------------------------------------|--------------------------------|---------------------------------|-------------|
| Net cash used in operating activities | (7,171) | (2,676) | (8,713) | (2,284) |
| Net cash used in from investing activities | (3,102) | (2,281) | (1,350) | (66) |
| Net cash generated from financing activities | 8,059 | 6,332 | 13,174 | 2,307 |
| Net increase/(decrease) in cash and cash equivalents | (2,214) | 1,375 | 3,111 | (43) |

Operating Activities

Net cash used in operating activities in the nine months ended December 31, 2024 was ₹7,171 million, while our operating cash outflow before working capital changes was ₹3,017 million. The difference was primarily attributable to a decrease in other financial liabilities of ₹1,009 million, an increase in inventories of ₹1,060 million, an increase in other assets of ₹870 million and a decrease in other liabilities and provisions of ₹772 million.

Net cash used in operating activities in Fiscal Year 2024 was ₹2,676 million, while our operating cash outflow before working capital changes was ₹7,038 million. The difference was primarily attributable to a decrease in other financial assets of ₹2,512 million, a decrease in inventories of ₹1,407 million and an increase in other liabilities and provisions of ₹1,279 million. This was partially offset by an increase in other assets of ₹976 million.

Net cash used in operating activities in Fiscal Year 2023 was ₹8,713 million, while our operating cash outflow before working capital changes was ₹4,944 million. The difference was primarily attributable to an increase in other financial assets of ₹3,483 million, an increase in our inventories of ₹1,967 million and an increase in our other assets of ₹1,383 million, due to the growth of our business. This was partially offset by an increase in trade payables of ₹2,635 million and an increase in other liabilities and provisions of ₹475 million.

Net cash used in operating activities in Fiscal Year 2022 was ₹2,284 million, while our operating cash outflow before working capital changes was ₹1,992 million. The difference was primarily attributable to an increase in other assets of ₹752 million due to an increase in GST credits attributable to the increase in purchases of inputs for our manufacturing activities. This was partially offset by an increase in trade payables of ₹534 million.

Investing Activities

Net cash used in investing activities in the nine months ended December 31, 2024 was ₹3,102 million, and primarily included capital expenditure on PPE, intangible assets, capital work-in-progress and intangible assets under development, including capital advances and payable on purchase of property, plant and equipment of ₹2,635 million and net investment in term deposits of ₹907 million (i.e., investment of term deposits of ₹2,323 million minus redemption of term deposits of ₹1,416 million). This was partially offset by interest received from investment of ₹321 million and proceeds from sale of mutual funds of ₹119 million.

Net cash used in investing activities in Fiscal Year 2024 was ₹2,281 million, and primarily included capital expenditure on property, plant and equipment and intangible assets, capital work-in-progress and intangible assets under development including capital advances and payable on purchase of property, plant and equipment of ₹1,159 million and net investment in term deposits of ₹1,262 million (i.e., investment of term deposits of ₹4,385 million minus redemption of term deposits of ₹3,123 million). This was partially offset by interest received from investment of ₹262 million.

Net cash used in investing activities in Fiscal Year 2023 was ₹1,350 million, and primarily included capital expenditure on PPE, intangible assets, capital work-in-progress and intangible assets under development, including capital advances and payable on purchase of property, plant and equipment of ₹1,318 million and net investment in term deposits of ₹624 million (i.e., investment of term deposits of ₹31,367 million minus redemption of term deposits of ₹30,743 million). This was partially offset by proceeds from the sale of mutual funds of ₹387 million and interest received from investment of ₹185 million.

Net cash used in investing activities in Fiscal Year 2022 was ₹66 million, and primarily included capital expenditure on PPE, intangible assets, capital work-in-progress and intangible assets under development, including capital advances and payable on purchase of property, plant and equipment of ₹722 million, partially offset by proceeds from the net redemption of term deposits of ₹626 million (i.e., redemption of term deposits of ₹4,229 million minus investment in term deposits of ₹3,603 million) and interest received from investment of ₹30 million.

Financing Activities

Net cash flow generated from financing activities in the nine months ended December 31, 2024 was ₹8,059 million, and primarily included proceeds from current borrowings (net) of ₹5,846 million (including proceeds from Series G CCPS of ₹6,000 million to be converted into equity shares), proceeds from non-current borrowings (including current maturities) of ₹3,900 million and proceeds from issue of compulsorily convertible preference shares (including security premium) of ₹866 million. This was offset by the repayment of non-current borrowings (including current maturities) of ₹1,676 million, payment of lease liabilities of ₹152 million and payment of finance cost of ₹725 million.

Net cash flow generated from financing activities in Fiscal Year 2024 was ₹6,332 million, and primarily included proceeds from issue of CCPS (including security premium) of ₹9,011 million and proceeds from non-current borrowings (including current maturities) of ₹1,300 million. This was partially offset by the repayment of non-current borrowings (including current maturities) of ₹1,847 million, repayment of current borrowings (net) of ₹1,194 million and payment of finance cost of ₹770 million.

Net cash flow generated from financing activities in Fiscal Year 2023 was ₹13,174 million, and primarily included proceeds from issue of CCPS (including security premium) and equity shares of ₹11,998 million, proceeds from non-current borrowings (including current maturities) of ₹2,000 million and proceeds of current borrowings (net) of ₹1,528 million. This was partially offset by the repayment of non-current borrowings (including current

maturities) of ₹1,630 million and payment of finance cost of ₹601 million.

Net cash flow generated from financing activities in Fiscal Year 2022 was ₹2,307 million, and primarily included proceeds from the issue of compulsorily convertible debentures of ₹1,500 million, proceeds from non-current borrowings (including current maturities) of ₹1,300 million and proceeds from current borrowings (net) of ₹700 million. This was partially offset by the repayment of non-current borrowings (including current maturities) of ₹706 million and payment of finance cost of ₹388 million.

Indebtedness

As of December 31, 2024, we had total borrowings of ₹11,216 million, comprising both non-current and current borrowings (including proceeds from Series G CCPS of ₹6,000 million to be converted into equity shares). These loans were primarily used to fund our R&D expenditure, working capital requirements and capital expenditure. For more details on the agreements governing our outstanding indebtedness, see “**Financial Indebtedness**” on page 474. The table below provides breakdown of our total borrowings as of the dates indicated:

| Particulars | As of December 31, | | As of March 31, | | |
|-------------------------|--------------------|--------------|-----------------|--------------|--------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | | | (in ₹ million) | | |
| Non-current Borrowings | 1,602 | 780 | 309 | 1,205 | 1,087 |
| Current Borrowings | 9,614* | 2,210 | 2,840 | 3,647 | 1,897 |
| Total Borrowings | 11,216* | 2,990 | 3,149 | 4,852 | 2,984 |

*Includes proceeds from Series G CCPS of ₹6,000 million to be converted into equity shares, as at December 31, 2024. Subsequently, Series G CCPS were converted into Equity Shares pursuant to a Board resolution dated March 8, 2025.

Contractual Obligations

The table below sets forth our contractual obligations as of December 31, 2024.

| Particulars | As of December 31, 2024 | | | |
|-----------------------------|-------------------------|--------------|-------------------|----------------|
| | Less than 1 year | 1 to 5 years | More than 5 years | Total |
| | | | | (in ₹ Million) |
| Borrowings* | 4,114 | 7 | 0 | 4,121 |
| Lease liabilities | 10,088 | 1,704 | - | 11,792 |
| Trade payables | 415 | 1,101 | 1,116 | 2,632 |
| Other financial liabilities | 537 | - | - | 537 |
| Total | 15,154 | 2,812 | 1,116 | 19,082 |

* Borrowing includes CCPS of ₹6,000 million to be converted into equity shares

Contingent Liabilities and Commitments

The following table sets forth the principal components of our contingent liabilities and capital commitments as of December 31, 2024 as per the Restated Financial Information. Our Company is involved in certain disputes and claims that have arisen in the ordinary course of business. For more details see “**Outstanding Litigation and Material Developments**” on page 476.

| Particulars | As of December 31, 2024 |
|--|-------------------------|
| | (in ₹ Million) |
| Contingent liabilities | |
| Claims against the Company not acknowledged as debt (Custom Duties, GST, Income tax and other litigation)* | 608 |
| Capital Commitments | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 508 |

Note:

*The Company received a pre-show cause intimation notice dated March 21, 2024 and subsequently a show cause notice dated April 16, 2024 (“SCN”) from the Office of the Assistant Commissioner, Chennai under section 73 of the Central and Goods Services Tax act read with rules and regulations, made thereunder. The GST department had taken up the scrutiny in accordance with the above section and observed discrepancies in the input tax credit availed for the Fiscal year 2022-2023 and raised a demand of ₹598 million. Against this demand, the Company filed a reply dated May 14, 2024 explaining the fact that input tax credit has been availed in accordance with law and which was also reconciled with annual return and hence there is no discrepancy. However, thereafter, an order was issued against the Company dated November 4, 2024 confirming the above stated demand. The Company has filed an application before the Assistant Commissioner, Nungambakkam, Tamil Nadu (“the AC”) for rectification of the order issued, on the grounds that the order has been passed without

consideration of the submissions made. The Company doesn't foresee the demand materialising as the allegations made are merely on the manner of disclosures made by the Company in the Annual return filed for the said fiscal period. The matter is currently pending further adjudication.

Capital Expenditures

Our historical capital expenditures primarily included cash flow used in investing activities for the acquisition of PPE, intangible assets, capital work-in-progress and intangible assets under development, including capital advances and payable on purchase of property, plant and equipment, which amounted to ₹2,635 million, ₹762 million, ₹1,159 million, ₹1,318 million and ₹722 million in the nine months ended December 31, 2024 and 2023 and in Fiscal Years 2024, 2023, 2022, respectively.

We expect our future capital expenditures to be primarily for (i) the construction of our Factory 3.0 at Chhatrapati Sambhajinagar, Maharashtra, India, (ii) investment in research and product development, including investments in PPE and intangible assets, and (iii) organic growth initiatives.

Off-Balance Sheet Arrangements

As of December 31, 2024, we do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information, see “**Restated Financial Information – Notes forming part of the Restated Financial Information – Note 36: Related Party Disclosures**” on page 411.

Quantitative and Qualitative Disclosures about Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks: interest rate risk, currency risk and other price risks, such as equity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables.

Interest rate risk

Interest rate risk refers to the potential risk for the future cash flows of a financial instrument to vary due to changes in market interest rates. Our primary exposure to interest rate risk arises from long term borrowings and short term borrowings with variable rates. We had floating rate borrowings of ₹939 million, ₹404 million, ₹1,165 million, ₹2,389 million and ₹978 million as of December 31, 2024, December 31, 2023, March 31, 2024, March 31, 2023 and March 31, 2022, respectively. We continuously monitor the credit markets and adjust our financing strategies to achieve an optimal maturity profile and minimise financing costs.

With all other variables held constant, our loss will be impacted by a 1% change in interest rate as follows:

| Particulars | Nine months ended December 31, | | Fiscal Year | | |
|---------------------------------|--|------|-------------|------|------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | (Increase)/decrease in loss (in ₹ million) | | | | |
| Increase in interest rate by 1% | (7) | (3) | (12) | (24) | (10) |
| Decrease in interest rate by 1% | 7 | 3 | 12 | 24 | 10 |

Currency risk

We undertake transactions denominated in foreign currencies, subjecting us to exchange rate fluctuations. Our exposure to currency risk relates primarily to our operating activities and borrowings when transactions are denominated in a different currency from our functional currency. For example, we source certain components from suppliers based outside India and are exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the U.S Dollars (“USD”), Euros (“EUR”), Swiss Francs (“CHF”) and Great Britain Pound (“GBP”). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not our functional currency. Our functional currency is the Indian Rupee.

The following table details how our trade payables and borrowings would be impacted by a 1% increase and decrease in the Indian Rupee against the relevant foreign currencies.

| Particulars | Nine months ended December 31, | | Fiscal Year | | |
|---|-----------------------------------|-------------------|----------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| <i>(Increase)/decrease in loss (in ₹ million)</i> | | | | | |
| Increase in ₹ by 1% | | | | | |
| Trade payables | | | | | |
| USD | 6 | 0 [^] | 7 | 0 [^] | 0 [^] |
| EUR | 0 [^] | 0 [^] | 0 [^] | 0 [^] | 0 [^] |
| CHF | - | 0 [^] | - | 0 [^] | 0 [^] |
| GBP | 0 [^] | 0 [^] | - | - | - |
| Trade receivables | | | | | |
| USD | (0 [^]) | - | - | - | - |
| Borrowings | | | | | |
| USD | 9 | 3 | 3 | 2 | - |
| Decrease in ₹ by 1% | | | | | |
| Trade payables | | | | | |
| USD | (6) | (0 [^]) | (7) | (0 [^]) | (0 [^]) |
| EUR | (0 [^]) | (0 [^]) | (0) | (0 [^]) | (0 [^]) |
| CHF | - | (0 [^]) | - | (0 [^]) | - |
| GBP | (0 [^]) | (0 [^]) | - | - | - |
| Trade receivables | | | | | |
| USD | 0 [^] | - | - | - | - |
| Borrowings | | | | | |
| USD | (9) | (3) | (3) | (2) | - |

[^]0 denotes less than ₹0.5 million

Credit risk

Credit risk refers to the risk of a counterparty defaulting on its obligation, which results in a financial loss. Our exposure to credit risk is limited as we have a prepaid business model where our retail partners, authorised distributors and/or customers pay upfront in advance for products and/or services to be rendered to them in the future. The demographics of customers, including the default risk of the industry, also has an influence on credit risk assessment. We manage credit risk through continuous monitoring of the creditworthiness of our dealers and customers. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in mutual funds, trade receivables and other financial assets.

Liquidity risk

Liquidity risk is defined as the risk that we will not be able to settle or meet our repayment obligations on time or at a reasonable price. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for managing our short-, medium-, and long-term funding and liquidity requirements. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Other price risk

Our exposure to price risk arises from our investment in mutual funds. To manage our price risk arising from investments in mutual funds, we diversify our portfolio.

Capital risk management

Capital is defined as the combination of shareholders' equity, reserves, net debt and lease liabilities. Our key objective when managing capital is to safeguard its ability to continue as a going concern, so that we can continue to maximise shareholder returns through the optimisation of our debt and equity balance. The aim of our capital management framework is to maintain, monitor and secure access to future funding arrangements to finance our R&D activities and future infrastructure requirements. We monitor capital on the basis of the debt to equity ratio. As of December 31, 2024, our debt to equity ratio was 0.97.

| Particulars | As of December 31, 2024 |
|--|---|
| | (in ₹ million, unless otherwise stated) |
| Total equity attributable to the equity shareholders | 1,080 |
| Compulsorily convertible preference share ⁽¹⁾ | 6,000 |
| Total equity (A) | 7,080 |
| Long term borrowings including current maturities | 349 |
| Short term borrowings | 860 |
| Non-convertible debentures | 4,007 |
| Lease liabilities | 1,630 |
| Total debt (B) | 6,846 |
| Debt to equity ratio (C) (C = B/A) (times) | 0.97 |

Note:

(1) CCPS of ₹6,000 million issued during the period are classified as borrowings based on the terms of conversion agreed. However, since the CCPS are to be compulsorily converted into equity shares, they have been considered as a part of total equity for the computation of debt equity ratio.

Significant Economic Changes

Other than as described above under the heading titled “**Principal Factors Affecting Our Financial Condition and Results of Operations**” to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Red Herring Prospectus, there have been no events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled “**Principal Factors Affecting Our Financial Condition and Results of Operations**” and the uncertainties described in “**Risk Factors**” on page 43. To our knowledge, except as described or anticipated in this Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our sales, revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Red Herring Prospectus, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

Competitive Conditions

We face intense competition from domestic and multinational automobile manufacturers in India and outside India. Our existing and future competitors may have significantly greater financial resources that can be devoted to design, development, manufacturing, sales and support of their E2Ws. They may also have technical and manufacturing capabilities and/or marketing, distribution and service network and brand recognition that is comparable to, or more developed than, our own. For further details, see “**Risk Factors – Internal Risks – Our competitiveness within the highly competitive Indian automotive market depends on our ability to fund, design, develop, manufacture, market and deliver new and quality electric two-wheeler models and launch new associated services. There is no assurance that we will be able to successfully compete in the markets we currently operate in or those that we plan to expand into, compete with new or existing players, or maintain or grow our market share, which may affect our business, operations and financial condition.**” on page 54.

New Products or Business Segments Expected

Except as disclosed in “**Our Business**” on page 257, and products that we announce in the ordinary course of business, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our orders are influenced by seasonality, in line with the fluctuating demand for vehicles in the Indian automotive

market, which typically peaks between January and March each year. Demand is generally lower between April and July, before picking up again during the festive season from September to December. See “**Risk Factors – Internal Risks – Our limited operating history makes it difficult for us to judge the exact nature and effect of seasonality on our business.**” on page 46.

Significant Dependence on Single or Few Suppliers

We depend on a limited number of suppliers for E2W components. For further details, see “**Risk Factors – Internal Risks – If our suppliers fail to deliver components used in our electric two-wheelers in accordance with agreed volumes and schedules or increase their prices, we may face delays in our manufacturing and delivery timelines or be required to increase the retail price of our electric two-wheelers.**” on page 64.

Significant Developments After December 31, 2024 that May Affect Our Future Results of Operations

Except as disclosed above and elsewhere in this Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the Restated Financial Information as disclosed in this Red Herring Prospectus which materially and adversely affect or are likely to affect our trading, operations or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

CRITICAL ACCOUNTING POLICIES

A full description of our material accounting policies adopted in the preparation of our Restated Financial Information is provided in Note 1.3 to our Restated Financial Information. See under “**Restated Financial Information Notes forming part of the Restated Financial Information – Note 1.3: Summary of Material Accounting Policies**” on page 371. The critical accounting policies that our management believes to be the most significant are summarised below.

Property, plant and equipment

Property, plant and equipment (“**PPE**”) are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price, related taxes, duties, freight, insurance, etc. attributable to the acquisition, installation of the PPE and borrowing cost if capitalisation criteria are met but excludes duties and taxes that are recoverable from tax authorities.

Machinery spares which can be used only in connection with an item of PPE and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to PPE is capitalised only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Material replacement cost is capitalised provided it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When replacement cost is eligible for capitalisation, the carrying amount of those parts that are replaced are derecognised. When significant parts of plant and equipment are required to be replaced at intervals, we depreciate them separately based on their specific useful life.

PPE retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the restated statement of assets and liabilities.

We identify and determine the cost of each component / part of the asset separately if the component / part has a cost that is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

PPE not ready for the intended use, on the reporting date, are disclosed as “Capital work-in-progress” and are carried at cost, comprising direct cost and attributable interest.

Depreciation and amortisation

Depreciation is provided on a pro rata basis using the straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.

Depreciation has been provided on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets:

| Description of Assets | Useful Life and Basis of Depreciation* |
|--|--|
| Plant and Machinery – Laboratory Equipment | 5 years |
| Plant and Machinery – Moulds and Jigs | 8 years |
| Leasehold Improvements | Over the primary lease period or the life of the asset whichever is lower. |
| Internally built vehicles | 3 years |
| Electric installation | Over the primary lease period or 10 years whichever is lower |
| Charging Infrastructure | 3 years |

**Based on estimates by the management of the Company.*

Based on technical assessment made by technical expert and management estimate, we depreciate above items of PPE over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right of use assets are depreciated over the primary lease period as the right to use of these assets ceases on expiry of the lease period.

Depreciation on additions is being provided on a pro rata basis from the month of such additions.

Depreciation on assets sold, discarded or demolished during the period/year is being provided up to the month in which such assets are sold, discarded or demolished. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses, if any.

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the statement of profit and loss in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use / sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in the restated statement of

profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

Useful lives of other intangible assets:

Other intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Management estimates the useful lives for its intangible assets as follows:

| Description of assets | Useful life and basis of amortisation* |
|--|--|
| Software | 5 years |
| Patent & other intellectual property rights | 5 years |
| Website | 3 years |
| Product development (internally generated intangible assets) | 2 – 7 years |

**Based on estimates by the management of the Company.*

Impairment of tangible and intangible assets

We assess on an annual basis whether there is an indication that an asset may be impaired. If any indication exists, we estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

We base our impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of our CGUs to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment is made annually as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, we then estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the restated statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Revenue from contract with customers and other income

Revenue from contract with customers

Revenue is recognised upon transfer of control of promised products or services to customers for an amount that reflects the consideration which we expect to receive in exchange for those products or services. Revenue excludes taxes or duties collected on behalf of the Government.

Sale of products

We recognise revenues from sale of products measured at the amount of transaction price (net of variable consideration), when we satisfy our performance obligation at a point in time in which the products are delivered to customers. This is when control, including risks, rewards and title of ownership pass to the customer, and when there is no longer any unfulfilled obligation. The transaction price of goods sold is net of variable consideration on account of various discounts and schemes that we offer as part of the contract.

We offer sales incentives in the form of variable marketing expense to customers, which vary depending on the timing and any subsequent sale of the vehicle. This sales incentive is accounted for as a revenue reduction and is constrained to a level that is highly probable not to reverse the amount of revenue recognised when any associated uncertainty is subsequently resolved. We estimate the expected sales incentive by market and consider uncertainties such as competitor pricing, ageing of retailer stock and local market conditions.

Revenues are recognised when collectability of the resulting receivable is reasonably assured.

Sale of services

Income from sale of services and extended warranties are recognised as income over the relevant period of service or extended warranty.

When we sell bundled service and extended warranty, such services are treated as a separate performance obligation only if the service or warranty have a different timing of performance obligation. In such cases, the transaction price allocated towards such service or extended period of warranty based on relative standalone selling price and is recognised as a contract liability until the service obligation has been met. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate the standalone selling price is the expected cost plus a margin, under which we estimate the cost of satisfying the performance obligation and then add an appropriate margin based on similar services.

Sale of services include certain performance obligations that are satisfied over a period of time. Any amount received in advance in respect of such performance obligations that are satisfied over a period of time is recorded as a contract liability and recorded as revenue when service is rendered to customers. Refund liabilities comprise of obligation towards customers to pay for discounts and sales incentives.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable consideration on account of discounts and other incentives, if any, that we offer as a part of the contract with the customer. Revenue also excludes taxes or other amounts collected from customers. No element of financing is deemed present as the sale of goods / services are primarily on a “Cash and Carry” basis.

Contract balances

Trade receivables

We recognise a receivable when the goods are delivered to the customer as this represents the point of time at which the right to consideration becomes unconditional, as only the passage of time is required before payment due.

Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which we have received consideration. If a customer pays consideration before we transfer the goods or services, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when we perform under the contract.

Warranty obligation

We provide warranties for general repairs of defects as per the terms of the contract with our ultimate customers. These warranties are considered as assurance-type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The provision for warranty is disclosed net of supplier reimbursements.

Other income

Interest income is recognised on an accrual basis. For all debt instruments measured at amortised cost, interest income is recognised on a time proportion basis, taking into account the amount outstanding and effective interest rate.

Dividend income is accounted for when the right to receive it is established.

Provisions and contingencies

A provision is recognised when we have a present obligation (legal or constructive) as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each reporting date and adjusted to reflect the current best estimates. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third-party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. We do not recognise a contingent liability but disclose its existence in the restated financial information.

Provisions for warranty-related costs are recognised when the products are sold. Provision is estimated based on historical experience and/or technical estimates. The estimate of such warranty-related costs is reviewed on a periodic basis.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where we have a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at our best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Inventories

Raw materials, components, and stores and spare parts are valued at the lower of the cost determined on weighted average basis and estimated net realisable value. Cost includes purchase price, freight, taxes and duties and is net of GST to the extent credit of the tax is availed of.

Work-in-progress and finished goods are valued at the lower of the cost and estimated net realisable value. Cost includes all direct costs including material procurement cost and appropriate proportion of overheads to bring the goods to the present location and condition.

Due allowance is made for slow, non-moving or obsolete items. Materials and other items held for use in the production of inventories are not written down below the cost if the finished products in which they will be used are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of

completion and estimated costs necessary to make the sale.

Government grants

Government grants and subsidies are recognised when there is reasonable assurance that we will comply with the conditions attached to them and the grant or subsidy will be received.

When the grant or subsidy from the Government relates to an expense item, it is recognised as income on a systematic basis in the restated statement of profit and loss over the period necessary to match them with the related costs of which they are intended to compensate.

When we receive grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset, i.e. by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value of the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Employee benefits

Defined contribution plan

Provident funds

Contributions in respect of the Employees Provident Fund are made to the Regional Provident Fund. These contributions are recognised as expenses in the year in which the services are rendered. We have no obligation other than the contribution payable to the Regional Provident fund.

Employee state insurance

Contributions to the Employees State Insurance Scheme are recognised as expenses in the year in which the services are rendered.

Defined benefit plan

Gratuity

We account our liability for future gratuity benefits based on actuarial valuation done by an independent actuary, as at the reporting date, determined every reporting period using the projected unit credit method. Actuarial gains / losses are immediately recognised in retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. The defined benefit obligation recognised in the restated statement of assets and liabilities represents the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are expected to be settled and adjusted for unrecognised past service cost, if any. Any asset arising out of this calculation is recognised limited to the past service cost plus the present value of available refunds and reduction in future contributions.

Compensated absences

Accumulated leave (earned leave) can be availed and encashed on termination of employment, subject to terms and conditions of the scheme, the liability is recognised on the basis of an independent actuarial valuation. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in restated statement of profit and loss.

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the restated statement of assets and liabilities. Short term employee benefits include short term compensated absences which is recognised based on the eligible leave at credit on the reporting date, and the estimated cost is based on the terms of the employment contract.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at December 31, 2024, as derived from our Restated Financial Information. This table should be read in conjunction with the sections titled “*Risk Factors*”, “*Financial Information*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 43, 359 and 436, respectively.

| (₹ in million, except ratios) | | |
|---|---|--|
| Particulars | Pre-offer as at December 31, 2024 [^] | As adjusted for the Offer [*] |
| Borrowings | | |
| Non-current borrowings [#] | 1,602 | [●] |
| Current borrowings [#] | 9,614 | [●] |
| Total borrowings[#] (A) | 11,216 | [●] |
| Equity | | |
| Equity Share capital ^{#(2)} (B) | 31 | [●] |
| Instruments entirely equity in nature ^{#(C)} | 8 | [●] |
| Other equity [#] (D) | 1,041 | [●] |
| Total equity (F=B+C+D+E) | 1,080 | [●] |
| Ratio: Non-current borrowings/Total equity (in times) | 1.48 | [●] |
| Ratio: Total borrowings/Total equity (A/F) (in times) | 10.39 | [●] |

[#] These terms shall carry the meaning as per Schedule III of the Companies Act.

^{*}The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished. To be updated upon finalization of the Offer Price.

[^] Compulsorily convertible preference shares of ₹ 6,000 million issued during the period are classified as borrowings in the restated financial information as at December 31, 2024 considering the terms of conversion agreed. Subsequently, these CCPS have been converted into equity shares pursuant to the board resolution dated March 8, 2025.

Notes:

1. The above has been computed on the basis of amounts derived from the Restated Financial Information.

2. Pursuant to the Board resolutions dated February 25, 2025 and March 8, 2025

- (a) 710 Series Seed - One CCPS converted to 185,310 Equity Shares.
- (b) 530 Series Seed - Two CCPS converted to 138,330 Equity Share.
- (c) 350 Series Seed - Three CCPS converted to 91,350 Equity Shares.
- (d) 21,900 Series Seed - Four CCPS converted to 5,715,900 Equity Shares.
- (e) 74,732 Series A CCPS converted to 19,505,052 Equity Shares.
- (f) 99,826 Series B CCPS converted to 26,054,586 Equity Shares.
- (g) 29,347 Series B1 CCPS converted to 8,146,071 Equity Shares.
- (h) 29,699 Series C CCPS converted to 7,751,961 Equity Shares.
- (i) 20,688 Series C1 CCPS converted to 5,400,351 Equity Shares.
- (j) 88,040 Series D CCPS converted to 22,978,440 Equity Shares.
- (k) 193,789 Series E CCPS converted to 50,578,929 Equity Shares.
- (l) 51,359 Series E1 CCPS converted to 13,404,699 Equity Shares.
- (m) 204,391 Series E2 CCPS converted to 53,346,051 Equity Shares.
- (n) 74,148 Series F CCPS converted to 19,352,628 Equity Shares.
- (o) 18,088 CCPS converted to 4,720,968, Equity Shares and 16,528,925 Series G CCPS converted to 22,465,447 Equity Shares.

FINANCIAL INDEBTEDNESS

Our Company has availed loans and entered into financing arrangements in the ordinary course of business for purposes such as, *inter alia*, meeting our working capital requirements or business requirements and for general corporate purposes.

Set forth below is a brief summary of our outstanding borrowings amounting as on February 28, 2025:

| (in ₹ million) | | | |
|-----------------------------------|----------------------|--|---|
| Category of Borrowing | Reference | Sanctioned Amount (to the extent applicable) | Amount outstanding as on February 28, 2025 |
| Total Secured | (A)=(B+C+D+E) | 10,370 | 5,336 |
| Non-convertible debentures | (B) | 5,600 | 3,798 |
| Term loan-Banks | (C) | 270 | 68 |
| Term loan-Others | (D) | 1,500 | 91 |
| Working capital facilities | (E)=(F+G) | 3,000 | 1,379 |
| Fund based | (F)^ | 3,000 | 417 |
| Non-fund based | (G)^ | - | 962 |
| Unsecured | (H) | - | - |
| Total borrowing | (A+H) | 10,370 | 5,336 |

[^] Interchangeability between working capital demand loan and letter of credit.

As certified by Manian & Rao, Chartered Accountants, by way of their certificate dated April 22, 2025.

All indicative key terms of our borrowings are disclosed below:

- **Tenor and interest rate:** The tenor of the secured ranges from seven days to five years. The interest rates for the facilities are typically linked to benchmark rates varying from 7.78% p.a. to 14.85% p.a., such as the repo rate prescribed by the RBI, treasury bill rate and marginal cost of funds-based lending rate (“MCLR”) of the specific lender plus a spread per annum is charged above these benchmark rates.
- **Security:** In terms of our borrowings where security needs to be created, we are typically required to create security by way of charge on existing or future fixed assets, cash and cash equivalents and intellectual property rights. Further, security needs to be created, security by way of charge on existing or future fixed current assets.
- **Repayment:** Our facilities are repayable from the date of first reimbursement till the date of maturity as per repayment schedule or are repayable on demand.
- **Prepayment/ Backend fees:** Certain loans availed by our Company have prepayment provisions which allows for prepayment of the outstanding loan amount and sometimes carry a pre-payment penalty on the pre-paid amount or on the outstanding amount subject to terms and conditions stipulated under the loan documents. Further, certain loans availed by our Company have backend charges, in the range of 1.5% to 2% of the drawdown amount, payable upon maturity or upon prepayment of the facility, whichever is earlier
- **Penal Interest:** We are required to pay additional interest to our lenders for defaults in the payment of interest or other monies due and payable. This additional interest is charged as per the terms of our loan agreements and is typically 1% to 2.50% over the applicable interest rate.
- **Restrictive Covenants:** As per the terms of our loan agreements, certain corporate actions for which our Company requires prior written consent of the lenders include:
 - (a) Effecting any change in control/ ownership/ management/ directorship of our Company amongst others;
 - (b) Amending the constitutional documents of our Company, including the Memorandum of Association and Articles of Association;
 - (c) Effecting any changes to the capital structure or shareholding pattern of our Company;

- (d) Enter into any scheme of merger, amalgamation, compromise or reconstruction or do a buyback; and
 - (e) Undertaking any new business, operations or projects or substantial expansion of any current business, operations or projects.
- **Events of Default:** Our borrowing arrangements prescribe the following events of default, including among others:
 - (a) Failure and inability to pay amounts on the due date;
 - (b) Utilisation of the loan for any other purpose other than the purpose for which the loan is sanctioned;
 - (c) Making any representation or warranty that is incorrect or misleading;
 - (d) Cross default under other financing arrangements entered into with the lenders;
 - (e) Bankruptcy, insolvency or any such event; and
 - (f) Exit of our Individual Promoters, from the Board of our Company.
- **Consequences of occurrence of events of default:** Our borrowing arrangements prescribe the following consequences of occurrence of events of default, including among others:
 - (a) Withdrawal or termination of the sanctioned facilities;
 - (b) Seek immediate repayments of all or part of the outstanding amounts under the respective facilities;
 - (c) Initiate legal proceedings for recovery of their dues;
 - (d) Change in composition of the Board, management of our Company, managing director or any other person holding substantial power in our Company;
 - (e) Enforce the security over the hypothecated/ mortgaged assets; and
 - (f) Appoint a nominee director on the board of our Company.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender and/or trustee and/or debenture holder the breach of which may amount to an event of default under various borrowing arrangements entered into by us, and the same may lead to consequences other than those stated above. We have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including, inter alia, effecting a change in our shareholding pattern, effecting a change in the composition of our Board and amending our constitutional documents. For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see “**Risk Factors –If we are unable to comply with repayment and other covenants in our financing agreements, our business, financial condition and cash flows could be adversely affected.**” on page 84.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings (including FIRs); (ii) actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes (disclosed in a consolidated manner giving the total number of claims and the total amount involved); and (iv) any other outstanding litigation as determined to be material as per the Materiality Policy in accordance with the SEBI ICDR Regulations in each case involving our Company, Promoters (excluding our Corporate Promoter, HMCL) and Directors (“**Relevant Parties**”).*

As on the date of this Red Herring Prospectus, our Company does not have any Subsidiary. Further, except as stated in this section, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action and pending litigation involving our Group Company which may have a material impact on our Company.

Further, pursuant to the SEBI ICDR Regulations, all criminal proceedings involving Key Managerial Personnel and Senior Management and actions by regulatory and statutory authorities against such persons, are required to be disclosed.

Pursuant to the Materiality Policy adopted by our Board of Directors on August 27, 2024 for the purposes of (iv) above, any pending litigation involving the Relevant Parties, has been considered ‘material’ and accordingly disclosed in this Red Herring Prospectus where:

- (i) the claim/ dispute amount, to the extent quantifiable, exceeds 1% of net worth as on March 31, 2024 as per the Restated Financial Information, in this case being ₹ 55 million; or*
- (ii) where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (i) above, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects, financial position or reputation of the Company.*

*For HMCL (our Corporate Promoter), in accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”), an event may be considered ‘material’ if the value or expected impact in terms of value, exceeds the lower of the following:*

- (a) 2% of turnover as per last audited consolidated financial statements of HMCL, in this case being ₹7,558 million*
- (b) 2% of net worth as per last audited consolidated financial statements of HMCL, except in case arithmetic value of net worth is negative, in this case being ₹3,540 million; or*
- (c) 5% of average of absolute value of profit/ loss after tax as per last three audited consolidated financial statements of HMCL, in this case being ₹ 1,479 million.*

Accordingly, for the purposes of (iv) above, the above materiality threshold has been considered for HMCL.

Further, the following shall also be considered material litigation in relation to the Corporate Promoter, litigations where the decision in one litigation is likely to affect the decision in similar litigations and the cumulative amount involved in all such litigations exceeds ₹ 1,479 million, even though the amount involved in an individual litigation may not exceed ₹ 1,479 million.

Pre-litigation notices received by any of the Relevant Parties from third parties (excluding such notices issued by any statutory/ regulatory/ governmental/ taxation authorities) shall, unless otherwise decided by the Board, not be considered as litigation until such time that the Relevant Parties are impleaded as defendants or respondents in litigation proceedings before any judicial forum.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. Further in terms of the Materiality Policy, a creditor shall be considered “material”, if the outstanding dues to such creditor is equal to or exceeds 5% of total outstanding dues (trade payables) of our Company, in this case being ₹ 206 million, as of December 31, 2024, based on the Restated Financial Information. Further, for outstanding dues to

any party which is a micro, small or medium enterprise ("MSME"), the disclosure will be based on information available with the Company regarding the status of the creditor as defined under Micro, Small and Medium Enterprises Development Act, 2006, as amended read with the rules and notifications thereunder.

I. Litigation involving our Company

A. Litigation filed against our Company

Criminal proceedings

Mukesh Kumar Sah has filed a complaint ("Complaint") against our Company under sections 316, 318(4), 335, 336(1), 336 (3) and 336 (4) of the Bharatiya Nyaya Sanhita, 2023 before the Chief Judicial Magistrate, Munger (Bihar). As on the date of this Red Herring Prospectus, our Company and its Directors have not received any summons or notices in relation to this matter and disclosure included herein is based on the publicly available information. The matter is currently pending as per publicly available information.

Outstanding actions by regulatory and statutory authorities

Nil

Material civil proceedings

Nil

Other Matters

In the ordinary course of business, our Company, has been made party to certain proceedings before various consumer dispute redressal commissions or forum, by its customers alleging *inter alia* (i) delivery of defective vehicle, underperformance, missing parts of the scooter, manufacturing defect and failure of battery, erroneous display of range meter, (ii) delay in delivery of the scooter post advance payment and deficiency in product and service, (iii) improper servicing of vehicles and deficiency in service, (iv) dishonest use of vehicle by the service center (v) violation of FAME II subsidy rule. As on date of this Red Herring Prospectus, there are 28 consumer related matters against us involving an aggregate amount of ₹9.96 million, to the extent quantifiable. These matters are presently pending at various stages of adjudication.

B. Litigation filed by our Company

Criminal proceedings

Nil

Material civil proceedings

Nil

C. Tax proceedings involving our Company

Details of outstanding tax claims involving our Company as of the date of this Red Herring Prospectus are disclosed below:

| Nature of case | Number of cases | Amount involved (in ₹ million)* |
|----------------|-----------------|------------------------------------|
| Direct Tax | 7 | 156.34 |
| Indirect Tax | 28 | 1,005.64 |
| Total | 35 | 1,161.98 |

*To the extent quantifiable and amount excludes interest and penalty, if any.

Set out below are the details in relation to the tax claims involving our Company (included in the table above as well) which exceed the 1% of net worth as on March 31, 2024 as per the Restated Financial Information, or ₹ 55 million:

Direct Tax

Our Company filed the return of income (“**ROI**”) for Assessment Year (“**AY**”) 2020-21 under section 139(1) of the Income Tax Act, 1961 (“**Act**”). The ROI was picked up for assessment under section 143(2) of the Act. On September 29, 2022, our Company received the assessment order wherein the officer had referred to “income” computed under section 143(1)(a) of the Act and assessed the loss at the lesser amount. The copy of this assessment order was not available on the portal. The centralised processing centre had in the interim sent an email dated October 8, 2021, stating adjustment under section 143(1)(a) of the Act by proposing disallowance in relation to payment of gratuity, delayed payment of employees contribution to provident fund and allowance of doubtful investment under the Act. This copy of the email was not hosted on the portal of the income tax department. Subsequently, our Company filed an appeal dated October 28, 2022 (“**Appeal**”) stating that the officer had allegedly erred the facts and circumstances and did not provide the copy of the draft assessment order on the details of proposed disallowances. The disallowance of ₹156.34 million made by the centralised processing centre was already voluntarily disallowed by our Company in the return of income filed under section 139(1) of the Act. The matter is currently pending.

Indirect Tax

- (i) Our Company received a pre-show cause intimation notice dated March 21, 2024 and subsequently a show cause notice dated April 16, 2024 (“**SCN**”) from the Office of the Assistant Commissioner, Chennai under section 73 of the Central and Goods Services Tax act read with rules and regulations, made thereunder. The Assistant Commissioner of commercial taxes department had taken up the scrutiny in accordance with the above section and observed discrepancies in the input tax credit availed for the Fiscal year 2022-2023 and raised a demand of ₹598 million against the Company. Our Company filed a reply dated May 14, 2024 to the notice dated April 16, 2024, explained the total input tax credit availed, deductions claimed on account of reversals under the Goods and Services Tax Act and the final net input tax availed which is reconciled with annual return and hence there is no discrepancy. Therefore, our Company requested the SCN to be dismissed and demand for payment of input tax credit as raised in the SCN be withdrawn. However, the Assistant Commissioner issued an unfavourable order on November 5, 2024 upholding demand of ₹598 million against our Company. Our Company has filed a rectification application dated November 21, 2024, before the Assistant Commissioner, Nungambakkam, Tamil Nadu with an acknowledgement dated November 23, 2024 re-explaining that the input tax credit was duly availed in accordance with the law and that the allegations made or additional reconciliations asked for was beyond the scope of original SCN issued, thereby requesting to rectify the unfavourable order issued. Thereafter, the application for rectification of the order was rejected and the Company has filed an appeal against the said order on January 31, 2025. Subsequent to the same, a personal hearing was held and the matter is currently pending further adjudication.
- (ii) Our Company has received two notices in Form DRC-01 dated January 3, 2025 and January 6, 2025, respectively (“**Show Cause Notices**” or “**SCNs**”) from the Assistant Commissioner, Nungambakkam, Chennai Central, Tamil Nadu. The SCNs raised certain discrepancies in respect of goods and services tax inverted duty refunds claimed by our Company and sanctioned by the Goods Services and Tax Department for the period April 2022 and April 2023, under Section 54 of the Central Goods and Services Tax Act, 2017. The SCNs proposes a demand of ₹182.04 million against our Company. Earlier, our Company had responded to the pre-consultation intimations in Form DRC-01A by letters dated March 28, 2024, respectively, however the said responses have not been considered while issuing the present SCNs wherein the same set of information has been requested from our Company. Our Company has filed response dated January 3, 2025 along with an acknowledgement dated January 4, 2025 and January 31, 2025 in respect of the SCNs dated January 3, 2025 and January 6, 2025 respectively to the Assistant Commissioner, Nungambakkam, Chennai Central, Tamil Nadu and *inter-alia* submitted that the alleged discrepancies are without any cause. Our Company has also re-submitted the necessary documents required for the submission purpose. The matters are listed for personal hearing on April 22, 2025.
- (iii) Our Company has entered into a principal partnership agreement” with M/s Ireliia Sports India Private Limited (“**Ireliia**”). Our Company received summons dated March 11, 2024 and subsequently a pre-SCN intimation in form DRC 01A dated June 12, 2024 alleging that the services provided by Ireliia are in the nature of sponsorship services and not brand promotion services as captured in the agreement. Therefore, the GST department demanded taxes along with interest and penalty on reverse charge basis. Our Company submitted a response to the DRC 01A dated August 22, 2024 (“**Response**”). After submission of the Response, the GST department has issued the show cause notice (“**Show Cause Notice**” or “**SCN**”) in form DRC 01 dated January 17, 2025 which was received by the Company on January 25, 2025, wherein a demand of ₹ 66.60 million has been raised along with interest and penalty on reverse charge basis. In our response dated August 22, 2024, we submitted that there is no such intent of tax evasion as our Company has already paid the relevant

taxes to Ireliia on a forward charge basis and Ireliia has further discharged the same to the government of India. Our Company has responded to the SCN stating that there is no intention of tax evasion as our Company has already paid the relevant tax to Ireliia and Ireliia further discharged the same to the government of India and the matter is pending further adjudication.

- (iv) Our Company received a pre-show cause communication dated April 25, 2024 alleging that our Company had availed excess input tax credit in the GSTR 3B filed for the month of March, 2024 vis-a-vis the credit available to our Company as per the GSTR 2B, thereby, creating a demand of ₹ 72.77 million. Our Company filed the response to the communication vide letter dated April 26, 2024 explaining that no excess credit has been availed, the differences identified are majorly on account of imports which do not get reflected completely in the GSTR 2B and that our Company has availed credit on imports based on the bill of entries in line with the provisions of the Central and Goods Services Tax Act, 2017. The remaining differences are due to certain timing differences in accounting of invoices and credit notes. Subsequent to filing the response, a show cause notice dated March 18, 2025 ("SCN") was issued from the Office of the Assistant Commissioner, Chennai under section 73 of the Central and Goods Services Tax Act, 2017 read with rules and regulations, made thereunder wherein our response to the pre-show cause communication has not been considered while issuing the SCN the above stated demand has been confirmed along with interest and penalty. The SCN provides our Company 30 days to respond and our Company is yet to file a response.

II. Litigation involving our Directors

A. Litigation filed against our Directors

Criminal proceedings

- (i) A complaint was filed against Neelam Dhawan ("**Director**") a director of ICICI Bank Limited ("**Bank**") by Rajesh Kumar Jain and Sangeeta Jain ("**Complainant**") on March 11, 2019, alleging that they had purchased certain shares of the Bank during the years 1992 to 1995. The share certificates in relation to the purchased shares got misplaced by the Complainant hence they approached the Bank requesting for issuance of duplicate share certificates. The Bank had further informed that such shares were already sold and denied the new share certificates. The Complainant filed an FIR under section 156(3) of Criminal Procedure Code, 1973 against the Bank and the Director. The matter is currently pending and is listed for hearing on May 16, 2025.
- (ii) Infiniti Retail Ltd, Ajit Bhaskar Joshi and another ("**Petitioners**") have filed a writ petition ("**Writ Petition**") under section 482 of the Criminal Procedure Act, 1973 alleging offences under sections 120B, 406 and 420 of the Indian Penal Code, 1860 against Inam Commercial Enterprises Private Limited ("**Inam Commercial**") and others, Hewlett Packard, Neelam Dhawan and the state of Maharashtra. Pursuant to the order by the High Court of Bombay, the interim relief granted to the Petitioners is vacated and the trial court is at liberty to proceed with the matter. The matter is currently pending.
- (iii) The Inspector, Legal Metrology has filed a complaint in the year 2016, against then employees and directors (Kaushik Dutta and 12 others) of HCL Infosystems Limited ("**HCL Infosystems**") alleging an offence in relation to violation of section 36 of the Legal Metrology Act, 2009 and rule 32(1) of the Legal Metrology (Packaged Commodity) Rules, 2011. The offence relates to pre-packed packages of HCL Infosystems on which declaration of retail sale price was declared by affixing individual stickers. The said offence is compoundable and is currently pending before the PRL Civil Judge and Judicial Magistrate First Class, Nelamangala ("**Court**") and the Court had allegedly issued a non-bailable warrant to Kaushik Dutta in 2022 (including 12 others of HCL Infosystems). Kaushik Dutta was impleaded in his capacity as the then director of HCL Infosystems. As on the date of the Red Herring Prospectus, HCL Infosystems and Kaushik Dutta have not received any summons or notice in relation to this matter and disclosure included herein is based on publicly available information.

Outstanding actions by regulatory and statutory authorities

Nil

Material civil proceedings

Nil

B. Litigation filed by our Directors

Criminal proceedings

Nil

Material civil proceedings

Nil

C. Tax proceedings involving our Directors

| Nature of case | Number of cases | Amount involved (in ₹ million) |
|----------------|-----------------|-----------------------------------|
| Direct Tax | 14 | Nil |
| Indirect Tax | Nil | Nil |
| Total | 14 | Nil |

Certain Income Tax related matters are being pursued against Tejas Networks Limited (“**Tejas**”), where Sanjay Nayak, an Independent Director of our Company, was the Managing Director and CEO until June 2023. The cases are against *inter alia* Tejas and Sanjay Nayak. In July 2017, the Income Tax Department initiated proceedings under the Income Tax Act, 1961 for assessment years 2012-13 to 2018-19, in respect of which Tejas received orders on disallowance of certain expenses and had subsequently filed appeals against such orders. In 2018, the Income Tax Department served Tejas and Sanjay Nayak with show cause notices and subsequently summons under the Income Tax Act, to which Tejas has responded to the notice. After receiving the reply from Tejas, the Income Tax Department had issued sanction orders for proceedings in the Special Court of Economic Offences. Thereafter, Tejas initiated a writ petition before the High Court of Karnataka against the sanction orders and the proceedings at the Special Court of Economic Offences was stayed accordingly. Currently the stay order remains in force.

III. Litigation involving our Promoters

Litigation filed against our Promoters

Hero MotoCorp Limited (“HMCL”)

Material civil proceedings

Nil

Criminal proceedings

- (i) Roopdarshan Pandey (“**Applicant**”) has filed a petition dated December 14, 2020 with the District and Sessions Court, Gurgaon (“**Court**”) against HMCL and its directors (collectively, “**Respondents**”) under Section 340 of the Criminal Procedure Code, 1973. The Applicant has alleged that the Respondents have submitted documents with fabricated dates while representing themselves before the Court. Consequently, the Respondents have filed a petition with the High Court of Punjab and Haryana dated January 24, 2021, for quashing of this proceeding, on the grounds that the allegations are false and bad in law. The High Court of Punjab and Haryana, *vide* its order dated January 29, 2021, has granted a stay on the proceedings in the Court in favour of the Respondents. The matter is currently pending.
- (ii) Roopdarshan Pandey (“**Petitioner**”) has filed a contempt petition dated November 21, 2019 (“**Contempt Petition**”) with the District and Sessions Court, Gurugram (“**Court**”) against HMCL, its employees and some of its directors (collectively, “**Respondents**”) under Section 2 (c) of the Contempt of the Courts Act, 1971. The Petitioner has alleged that the Hero MotoCorp Limited had directed its employee to impersonate as an advocate and make misleading submissions before another proceeding in the District and Sessions Court, Gurugram (“**Trial Court**”) pertaining to the execution of an award. Consequently, the Respondents have filed a civil revision petition with the High Court of Punjab and Haryana dated December 3, 2019, for quashing of the notice issued in Contempt Petition, on the grounds that the Court does not have jurisdiction over the subject matter of the Contempt Petition. The matters are currently pending.
- (iii) Roopdarshan Pandey (“**Applicant**”) has filed an application dated November 16, 2019 (“**Application**”) with the District and Sessions Court, Gurugram (“**Trial Court**”) against HMCL, through its director Dr. Pawan Munjal (“**Respondent**”) under, *inter alia*, Sections 34, 120-B 177, 416 and 419, of the IPC. The Applicant has alleged that Hero MotoCorp Limited had directed its employee to impersonate as an advocate and make misleading submissions before another proceeding in the District and Sessions Court, Gurgaon pertaining to the execution of an award. Consequently, HMCL has filed a petition dated January 22, 2020,

with the High Court of Punjab and Haryana (“**Court**”) for quashing of the Application, on the grounds that the allegations are false. The Court, *vide* its order dated January 28, 2020, has granted a stay on the proceedings in the Trial Court in favour of the Respondent. The matters are currently pending.

- (iv) Roopdarshan Pandey (“**Petitioner**”) has filed a criminal petition dated January 5, 2018 (“**Petition**”) with the Chief Judicial Magistrate, Gurugram against HMCL (“**Respondent**”) under Section 340 of the CrPC. The Petitioner has alleged that the Respondent have tampered with judicial records under, *inter alia*, Sections 191, 192, 193, 196, 200, 469, 470 and 471 of the IPC by removing judicial papers from records during the proceedings against the Respondent. The matter is currently pending.
- (v) Roopdarshan Pandey (“**Complainant**”) has filed an application (“**Application**”) with the District Court, Noida (“**Court**”) against HMCL (“**Accused**”) under Section 156 (3) of the CrPC, alleging that the Accused had forged bank statements of Brains Logistics Private Limited. The Court, *vide* its order dated March 23, 2022 (“**Order**”) had dismissed the Application on the grounds that no offence has been committed by the Accused. Consequently, the Complainant has filed a revision petition dated May 4, 2022 with the Court, challenging the Order. The matter is currently pending.
- (vi) Manjushree Pandey (“**Petitioner**”) has filed a contempt petition dated May 1, 2024 (“**Contempt Petition**”) with the District and Sessions Court, Gurugram (“**Trial Court**”) against HMCL, its official and directors (collectively, “**Respondents**”) under Section 2(c) of the Contempt of Courts Act, 1971. The Petitioner has alleged that the Respondents had acquired certified copies of certain documents, bearing the stamps and seals of HMCL and the Gurugram plant of HMCL from the Trial Court. Further, the Respondents manipulated these documents by removing the stamps and seals and certified them as ‘true copies’ to be submitted before a proceeding in the High Court of Delhi for quashing of first information report no. 303/2023 involving HMCL. Consequently, the Respondents have filed a petition dated May 30, 2024 in the High Court of Punjab and Haryana (“**Court**”) against the Contempt Petition stating that the allegations are false. The Court, *vide* order dated July 3, 2024 has granted a stay on the proceedings in the Trial Court. The matters are currently pending.
- (vii) Roopdarshan Pandey (“**Complainant**”) has filed an application dated December 11, 2021 with the Chief Judicial Magistrate, Patiala House Court, New Delhi (“**Trial Court**”) under Section 156 (3) of the CrPC for registration of a first information report against HMCL, its officials and its directors (collectively, the “**Accused**”). The Trial Court allowed the application and consequently, a first information report dated October 5, 2023 (“**FIR**”) was filed with the Vasant Kunj Police Station, Delhi against the Accused under Sections 463, 467, 468, 471, 34, 477A, 120B and 406 of the IPC. The Complainant has alleged that the Accused have committed the offence of forgery in relation to falsification of books of accounts which contained the stamp and seal of HMCL. Pursuant to the FIR, the Accused has filed a petition dated October 11, 2023 with the High Court of Delhi (“**Court**”) for quashing of the FIR on the ground that the allegations are false and misleading. The Court, *vide* an order dated October 12, 2023 has granted stay on the proceedings in the Trial Court and the FIR. The matters are currently pending.
- (viii) Brains Logistics Private Limited (“**Complainant**”) has filed an application dated February 20, 2024 with the Chief Metropolitan Magistrate, Karkardooma Court, New Delhi (“**Trial Court**”) under Section 156 (3) of the CrPC for registration of a first information report against HMCL, its officials and its directors (collectively, “**Accused**”). The Complainant has alleged that the Accused has falsified the challans pertaining to provident fund in the course of their business. The Trial Court, *vide* its order dated July 19, 2024 (“**Order**”) allowed the application and consequently, directed the police to register the first information report. Consequently, the Accused have filed a petition dated July 22, 2023, with the High Court of Delhi (“**Court**”) for quashing of the Order stating that the allegations are false and misleading. The Court, *vide* order dated July 22, 2024, has granted stay on the proceedings in the Trial Court. The matters are currently pending.
- (ix) Roopdarshan Pandey (“**Applicant**”) has filed an appeal against the order dated January 23, 2025, passed by the High Court of Delhi whereby the High Court in a contempt proceeding had sentenced the Applicant to two weeks imprisonment and fine of ₹ 2,000 (“**Appeal**”), with the Supreme Court of India (“**Court**”) against the order dated January 23, 2025. The High Court of Delhi had suspended the sentencing by a period of one week for Applicant to approach the Court. The Court, *vide* its order dated January 30, 2025, has suspended the sentence till the next date of hearing and impleaded HMCL. The matter is currently pending.

From time-to-time certain matters have been reported in which HMCL has been impleaded as a party before various courts and forums. These matters pertain to various violations of Motor Vehicles Act, 1988, as amended, by lessees or users of the vehicles leased out by HMCL. These matters are currently pending before various courts and forums.

Outstanding actions by regulatory and statutory authorities

- (i) The Directorate of Enforcement (“ED”), New Delhi has initiated proceedings against HMCL and others under Section 17(4) of the Prevention of Money Laundering Act, 2002 (“PMLA”) for the alleged illegal export of foreign currency amounting to ₹ 540.00 million (“**Alleged Offence**”) by certain persons. HMCL filed an appeal dated February 12, 2024, with the Appellate Authority under PMLA against the order of the Adjudicating Authority (“AO”), stating that the AO had erroneously ordered the retention of the records that had been unjustifiably seized by the ED. The matter is currently pending.
- (ii) The State of Uttar Pradesh has filed a petition dated April 9, 2021, against “Masars Hero motocorp ltd.” in the Court of Civil Judge- Junior Division, Najibabad (“**Trial Court**”), alleging violations of the Legal Metrology Act, 2009 (erstwhile Standards of Weights and Measures Act, 1976). As on the date of this Red Herring Prospectus, HMCL, its officials and its directors have not received any summons or notices in relation to this matter and disclosure included herein is based on the information available on Ecourts services website. The matter is currently pending as per the information available on Ecourts services website.

Disciplinary actions including penalties imposed by SEBI or stock exchanges in the last five financial years including outstanding actions

Nil

Tax Proceedings against HMCL

- (i) For assessment year 2010-2011 (“**AY 10-11**”), the Income Tax Department (“**Department**”) made certain disallowances resulting in tax demand (excluding interest) of ₹ 19,400.00 million. The disallowances were made on account of, *inter alia*, non-deduction of TDS, disallowance of deduction under Section 80IC of the Income Tax Act, 1961 treating royalty payment as capital expenditure instead of revenue and treating income from sale of securities as income from business instead of capital gains. HMCL had filed an appeal before the Income Tax Appellate Tribunal, Delhi (“**ITAT**”) against the assessment order. The ITAT, *vide* order dated October 24, 2016, ruled in favour of HMCL, disposing-off income tax demand for the AY 10-11. The Department has filed an appeal before the High Court of Delhi against the ITAT order. The matter is currently pending.
- (ii) For assessment year 2011-12 (“**AY 11-12**”), the Income Tax Department (“**Department**”) made certain disallowances resulting in tax demand (excluding interest) of ₹ 19,750.00 million. The disallowances were made on account of, *inter alia*, non-deduction of TDS, disallowance of deduction under Section 80IC of the Income Tax Act, 1961, treating royalty payment as capital expenditure instead of revenue and treating income from sale of securities as income from business instead of capital gains. HMCL had filed an appeal before Income Tax Appellate Tribunal, Delhi (“**ITAT**”) against the assessment order. The ITAT, *vide* order dated October 24, 2016, ruled in favour of HMCL, disposing-off income tax demand for the AY 11-12. The Department has filed an appeal before the High Court of Delhi against the ITAT order. The matter is currently pending.
- (iii) For assessment year 2012-13 (“**AY 12-13**”), the Income Tax Department (“**Department**”) made certain disallowances resulting in tax demand (excluding interest) of ₹ 20,890.00 million. The disallowances were made on account of, *inter alia*, non-deduction of TDS, disallowance of deduction under Section 80IC of the Income Tax Act, 1961, treating royalty payment as capital expenditure instead of revenue and treating income from sale of securities as income from business instead of capital gains. HMCL had filed an appeal before Income Tax Appellate Tribunal, Delhi (“**ITAT**”) against the assessment order. The ITAT, *vide* order dated June 13, 2018 ruled in favour of HMCL, disposing-off income tax demand for the AY 12-13. The Department has filed an appeal before the High Court of Delhi against the ITAT order. The matter is currently pending.
- (iv) For assessment year 2013-14 (“**AY 13-14**”), the Income Tax Department (“**Department**”) made certain

disallowances resulting in tax demand (excluding interest) of ₹ 5,600.00 million. The disallowances were made on account of, inter alia, non-deduction of TDS, disallowance of deduction under Section 80IC of the Income Tax Act, 1961, treating royalty payment as capital expenditure instead of revenue and treating income from sale of securities as income from business instead of capital gains. HMCL had filed an appeal before Income Tax Appellate Tribunal, Delhi (“**ITAT**”) against the assessment order. The ITAT, *vide* order dated June 20, 2018 ruled in favor of HMCL, disposing-off income tax demand for the AY 13-14. The Department has filed an appeal before the High Court of Delhi against the ITAT order. The matter is currently pending.

- (v) The Income Tax Department (“**Department**”) raised a tax demand of ₹ 23,370.00 million against Hero Investment Private Limited (“**HIPL**”) for the assessment year 2011-12 (“**AY 2011-12**”) in respect of valuation of stake bought by it from Honda Motors, Japan. HMCL being the successor of HIPL (pursuant to the amalgamation of HIPL with HMCL w.e.f. January 1, 2013), preferred an appeal against the said demand before Income Tax Appellate Tribunal, Delhi which has been held in favour of HMCL. The matter is currently appealable by the Income Tax Department, the eventual outcome of tax liability, if any, would be dealt with in accordance with the scheme of amalgamation.
- (vi) The Central Goods and Services Tax Department (“**Department**”) raised a tax demand of ₹ 4,560.68 million, along with the equivalent penalty and interest, against HMCL, in respect of section 74 of the Central Goods and Services Act, 2017, for improper classification of two-wheeler parts and accessories supplied by HMCL, during the period July 2017 to March 2024. The matter is currently pending.

| Nature of case | Number of cases | Amount involved (in ₹ million) |
|----------------|-----------------|-----------------------------------|
| Direct Tax | 30 | 88,372.00 |
| Indirect Tax | 44 | 13,066.60 |
| Total | 74 | 101,438.60 |

* This amount includes interest and penalty wherever applicable.

Other Matters

In the ordinary course of business, HMCL has been made party to certain proceedings before various consumer dispute redressal commissions by its customers alleging *inter alia* (i) defects in documents relating to the vehicles; (ii) delivery of vehicles that are defective; (iii) improper servicing; and (iv) deficiency of services. As on the date of this Red Herring Prospectus, there are 634 such matters against HMCL involving an aggregate amount of ₹ 31.70 million, to the extent quantifiable. These matters are presently pending at various stages of adjudication at various levels of forums.

Litigation filed by our Promoters

Hero MotoCorp Limited (“HMCL”)

Criminal proceedings

- (i) Hero MotoCorp Limited (“**Complainant**”) has filed a first information report dated December 17, 2013 (“**FIR**”) with the Sadar Police Station, Gurugram (“**Police Station**”) against Brains Logistics Private Limited and its directors, namely Roopdarshan Pandey and Manjushree Pandey (collectively, “**Accused**”). The Complainant has alleged that the Accused have forged challans pertaining to provident fund, causing wrongful loss to the Complainant. Consequently, the police had filed a chargesheet against the Accused under Sections 418, 420, 467, 468, 471 and 120-B of the IPC and the District and Sessions Court, Gurugram, (“**Court**”) *vide* order dated March 27, 2021 (“**Order**”) has framed charges against the Accused. Pursuant to the Order, Manjushree Pandey has filed a petition dated February 18, 2017 before the Punjab and Haryana High Court, for quashing of the FIR. Further, Roopdarshan Pandey had filed two successive petitions for the quashing of the FIR with the High Court of Punjab and Haryana and Supreme Court of India, which were dismissed *vide* its order dated December 3, 2021 and February 7, 2022 respectively. Consequently, Roopdarshan Pandey has filed a criminal revision petition dated September 12, 2022 with the District and Sessions Court against the Order. Further, Roopdarshan Pandey has filed a criminal petition dated January 5, 2018 (“**Petition**”) with the Chief Judicial Magistrate, Gurugram against the Complainant under Section 340 of the CrPC. Roopdarshan Pandey has alleged that the Complainant has tampered with judicial records under, inter alia, Sections 191, 192, 193, 196, 200, 469, 470 and 471 of the IPC by

removing judicial papers from records during the proceedings concerning the FIR. The matters are currently pending.

Material civil proceedings

Nil

IV. Pending litigation involving our Group Company which may have a material impact on our Company

Nil

V. Criminal proceedings involving and actions by regulatory and statutory authorities against Key Managerial Personnel and Senior Management

As on the date of this Red Herring Prospectus, there are no outstanding criminal proceedings involving and no actions by regulatory and statutory authorities against our Key Managerial Personnel and Senior Management.

VI. Outstanding dues to creditors

In accordance with the Materiality Policy, details of outstanding dues (trade payables) owed to MSME (as defined under section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at December 31, 2024, are set out below:

| Type of creditors | Number of creditors | Amount involved (in ₹ million) |
|--------------------------------------|----------------------------|---|
| Material creditors | 2 | 871 |
| Micro, Small and Medium Enterprises* | 278 | 267 |
| Other creditors [#] | 540 | 2,983 [#] |
| Total | 820 | 4,121 |

As certified by Manian & Rao, pursuant to their certificate dated April 22, 2025.

** As defined under the Micro, Small and Medium Enterprises Development Act, 2006*

[#] Including provision to the extent of ₹ 983 million

The details pertaining to outstanding dues to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at <http://media.atherenergy.com/Material-Creditors-List.pdf>.

Material Developments

Other than as stated in the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 436, there have not arisen, since the date of the last financial information disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months from the date of the filing of the RHP.

OUR GROUP COMPANY

In accordance with the SEBI ICDR Regulations, for the purpose of identification of group companies, our Company has considered:

- (i) companies (other than our Promoters and subsidiaries) with which there were related party transactions, in accordance with Ind AS, during the period for which the Restated Financial Information has been disclosed in this Red Herring Prospectus; and
- (ii) any other company as considered material by the Board (“**Materiality Policy**”).

In relation to point (ii) above (in addition to the companies identified as “group companies” under point (i) above), our Board, through its resolution dated August 27, 2024, has also considered such companies as material for classification as “group companies”, which are:

- (a) a promoter group entity (in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations) shall be considered “material” and will be disclosed as a ‘Group Company’ in the RHP, if there were one or more transactions during the most recent completed financial year (and the relevant stub period, as applicable) in the restated financial statements of the Company included in the RHP, which individually or cumulatively in value, exceeds 10% of the total income of the Company as per the restated financial statements of the Company for the most recent completed financial period included in the RHP; and/ or
- (b) companies (other than promoters of the Company) with which there were related party transactions for the period beginning from April 1, 2024 (i.e., after the date of the latest restated statement of assets and liabilities disclosed in the Offer Documents) until the date of filing of the RHP. Based on the parameters outlined above, as on the date of this Red Herring Prospectus, our Board has identified Hero FinCorp Limited as a Group Company of our Company.

Details of our Group Company

Registered Office

The registered office of Hero FinCorp Limited is situated at 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110 057, Delhi, India.

Financial Information

Details of financial information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value in relation to the Group Company, based on its audited standalone financial statements, for the preceding three financial years as prescribed under the SEBI ICDR Regulations will be available on the website of the Group Company at <https://www.herofincorp.com/investor-relations/disclosures-under-regulation-62-of-the-sebi-lodr/financial-performance>.

Such information provided on the website given above does not constitute a part of this Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider to purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Nature and extent of interest of our Group Company

In the promotion of our Company

Our Group Company does not have any interest in the promotion of our Company.

In the properties acquired by our Company in the three years preceding the date of filing of this Red Herring Prospectus or proposed to be acquired by our Company

Our Group Company is not interested in the properties (i) acquired by our Company in the three years preceding the date of filing of this Red Herring Prospectus or (ii) proposed to be acquired by our Company as on the date of this Red Herring Prospectus.

In the transactions for acquisition of land, construction of building and supply of machinery, etc.

Except as disclosed below, our Group Company is not interested in the transactions for acquisition of land, construction of building and supply of machinery, etc. entered into by our Company:

- (a) Our Company has availed a term loan from our Group Company, Hero FinCorp Limited, and accordingly, Hero FinCorp Limited receives payment from us towards interest on such term loan. Our Company also makes payment to Hero FinCorp Limited basis the commercial arrangement in relation to subvention schemes provided by our Company through Hero FinCorp Limited during festivals. For further details, please refer to “*Restated Financial Information - Note 36 - Related Party Disclosures*” on page 411.
- (b) Hero FinCorp Limited is also empanelled on the list of lenders for retail funding and inventory funding to our customers and our dealers, respectively. Our Company receives commission on the retail funding done through Hero FinCorp Limited for our company owned company operated store at Bengaluru.

Related business transactions with our Group Company and significance on the financial performance of our Company

There are no related business transactions amongst our Company and our Group Company, except as otherwise disclosed in “*Summary of the Offer Document – Summary of Related Party Transactions*” and “*Restated Financial Information – Note 36 – Related party disclosures*”, beginning on pages 28 and 411 respectively.

Common pursuits

There are no common pursuits between our Company and our Group Company.

Business interests

Our Group Company does not have any business interest in our Company except as otherwise disclosed below and in the “*Summary of the Offer Document – Summary of Related Party Transactions*” and “*Restated Financial Information – Note 36 – Related party disclosures*”, beginning on pages 28 and 411, respectively.

Litigation

Our Group Company is not a party to any pending litigation which has a material impact on our Company.

Certain other confirmations

As on the date of this Red Herring Prospectus, except as mentioned below, our Group Company does not have any listed debt securities on any stock exchange. The type of debt securities disclosed in the table below is non-convertible debentures:

| S.No | ISIN | Issuance Date | Stock Exchange | Maturity Date | Coupon Rate | Face Value | Amount |
|------|--------------|--------------------|----------------|--------------------|---------------|------------|------------------|
| 1. | INE957N08011 | September 15, 2015 | NSE | September 15, 2025 | 9.35% | 1,000,000 | 1,000,000,000.00 |
| 2. | INE957N08029 | August 3, 2016 | NSE | August 3, 2026 | 8.98% | 1,000,000 | 1,000,000,000.00 |
| 3. | INE957N08037 | June 20, 2017 | NSE | June 18, 2027 | 8.52% | 1,000,000 | 1,000,000,000.00 |
| 4. | INE957N08045 | December 6, 2018 | NSE | November 24, 2028 | 9.81% | 1,000,000 | 1,250,000,000.00 |
| 5. | INE957N07732 | December 27, 2018 | NSE | December 27, 2028 | 9.55% | 1,000,000 | 2,500,000,000.00 |
| 6. | INE957N08052 | February 5, 2020 | NSE | February 5, 2030 | 8.85% | 1,000,000 | 1,000,000,000.00 |
| 7. | INE957N08060 | March 4, 2020 | NSE | March 4, 2030 | 8.49% | 1,000,000 | 250,000,000.00 |
| 8. | INE957N07500 | July 24, 2020 | NSE | July 24, 2025 | 7.55% XIRR | 1,000,000 | 250,000,000.00 |

| S.No | ISIN | Issuance Date | Stock Exchange | Maturity Date | Coupon Rate | Face Value | Amount |
|------|--------------|--------------------|----------------|--------------------|---------------|------------|------------------|
| 9. | INE957N07542 | November 3, 2020 | NSE | November 3, 2025 | 6.95% | 1,000,000 | 1,000,000,000.00 |
| 10. | INE957N08078 | December 11, 2020 | NSE | December 11, 2030 | 7.65% | 1,000,000 | 450,000,000.00 |
| 11. | INE957N07567 | January 19, 2021 | NSE | January 19, 2026 | 6.90% XIRR | 1,000,000 | 250,000,000.00 |
| 12. | INE957N07591 | May 7, 2021 | NSE | May 7, 2031 | 7.35% | 1,000,000 | 250,000,000.00 |
| 13. | INE957N07674 | May 4, 2022 | NSE | May 4, 2027 | 7.60% | 1,000,000 | 3,000,000,000.00 |
| 14. | INE957N08086 | July 18, 2022 | NSE | July 16, 2032 | 8.65% | 10,000,000 | 1,000,000,000.00 |
| 15. | INE957N07682 | July 29, 2022 | NSE | July 29, 2025 | 7.99% | 1,000,000 | 4,000,000,000.00 |
| 16. | INE957N08094 | October 21, 2022 | NSE | October 21, 2032 | 8.65% | 10,000,000 | 550,000,000.00 |
| 17. | INE957N08102 | December 1, 2022 | NSE | December 1, 2032 | 8.65% | 10,000,000 | 1,000,000,000.00 |
| 18. | INE957N07757 | May 12, 2023 | NSE | May 12, 2026 | 8.35% | 100,000 | 500,000,000.00 |
| 19. | INE957N08110 | January 5, 2024 | NSE | January 5, 2034 | 9.00% | 100,000 | 550,000,000.00 |
| 20. | INE957N07773 | February 2, 2024 | NSE | February 2, 2029 | 8.60% | 100,000 | 250,000,000.00 |
| 21. | INE957N07781 | May 17, 2024 | NSE | September 10, 2025 | 8.94% | 100,000 | 2,250,000,000.00 |
| 22. | INE957N08128 | May 17, 2024 | NSE | December 31, 2099 | 9.50% | 10,000,000 | 1,500,000,000.00 |
| 23. | INE957N08136 | June 4, 2024 | NSE | December 31, 2099 | 9.60% | 10,000,000 | 750,000,000.00 |
| 24. | INE957N08144 | August 28, 2024 | NSE | December 31, 2099 | 9.50% | 10,000,000 | 250,000,000.00 |
| 25. | INE957N08144 | September 6, 2024 | NSE | December 31, 2099 | 9.50% | 10,000,000 | 600,000,000.00 |
| 26. | INE957N07799 | September 6, 2024 | NSE | October 6, 2026 | 8.89% | 100,000 | 3,520,000,000.00 |
| 27. | INE957N08151 | September 27, 2024 | NSE | May 27, 2030 | 9.20% | 100,000 | 2,000,000,000.00 |
| 28. | INE957N08169 | October 15, 2024 | NSE | December 31, 2099 | 9.50% | 10,000,000 | 550,000,000.00 |
| 29. | INE957N08177 | November 25, 2024 | NSE | December 31, 2099 | 9.50% | 10,000,000 | 1,700,000,000.00 |
| 30. | INE957N07807 | December 31, 2024 | NSE | December 31, 2026 | 8.70% | 100,000 | 3,100,000,000.00 |
| 31. | INE957N07815 | December 31, 2024 | NSE | December 31, 2027 | 8.70% | 100,000 | 650,000,000.00 |
| 32. | INE957N08185 | December 31, 2024 | NSE | December 31, 2034 | 9.30% | 100,000 | 500,000,000.00 |

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals issued by relevant central and state authorities under various rules and regulations. Set out below is an indicative list of consents, licenses, registrations, permissions, and approvals obtained by our Company, which are considered material and necessary for the purposes of undertaking its businesses and operations and except as mentioned below, we have obtained all material approvals, licenses, registrations and permits. Some of these may expire in the ordinary course of business, the applications for renewal of which are submitted from time to time in accordance with applicable procedures and requirements. Unless otherwise stated, these material approvals are valid as on the date of this Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see “Key Regulations and Policies in India” beginning on page 317.

I. Incorporation details of our Company

For details of incorporation of our Company, see “*History and Certain Corporate Matters*” on page 326.

II. Approvals in relation to the Offer

For details of corporate and other approvals obtained by our Company in relation to the Offer, see “*Other Regulatory and Statutory Disclosures - Authority for the Offer*” on page 492.

III. Material Approvals obtained in relation to our Company

Our Company requires various approvals, licences and registrations issued by central and state authorities under various central or state-level acts, rules and regulations to carry on our business activities and operations in India. Our Company has obtained the following material approvals pertaining to its business and operations:

A. Tax related approvals obtained by our Company

- (i) The permanent account number of our Company is AAMCA0812H.
- (ii) The tax deduction account number of our Company is CHEA19994C.
- (iii) The importer-exporter code of our Company issued by the Office of the Additional Director General of Foreign Trade at Bengaluru, Ministry of Commerce and Industry, Government of India on February 5, 2014, is 0413046052.
- (iv) Goods and Services Tax (“GST”) registrations under central and applicable state GST legislations.
- (v) Professional tax registrations under applicable state legislations.

B. Labour and Employee related approvals obtained by our Company

- (i) Certificate of registration under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
- (ii) Certificate of registration under the Employees’ State Insurance Act, 1948.
- (iii) Registration under the Contract Labour (Regulation and Abolition) Act, 1970 with the Department of Labour under applicable state legislations.
- (iv) Registration certificates of establishment for Registered Office and Corporate Office issued by Department of Labour, Government of Karnataka under the Karnataka Shops and Commercial Establishments Act, 1961.
- (v) Certificate of registration issued under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996, by the Department of Labour, Government of Karnataka.

In addition to the approvals above, our Company have obtained certain other approvals in relation to our business including our products, such as:

- (i) Certificate of registration under the Legal Metrology (Packaged Commodities) Rules 2011, issued by the Ministry of Consumer Affairs, Food and Public Distribution, Department of Consumer Affairs.
- (ii) Extensive Producer Responsibility (“EPR”) certificate for producer of electrical and electronics equipment under the E-Waste Management Rules, 2022.

- (iii) Certificate of recognition of the in-house research and development unit issued by the Ministry of Science and Technology, Government of India.
- (iv) Industrial Entrepreneur Memorandum issued under the Industries (Development and Regulation) Act, 1951.
- (v) Certificate for compliance to the Central Motor Vehicle Rules, 1989 issued by the Automotive Research Association of India (Research Institution of the Automotive Industry with the Ministry of Heavy Industries, GoI).
- (vi) Certificate for compliance to the PM E-Drive Scheme by the Automotive Research Association of India (Research Institution of the Automotive Industry with the Ministry of Heavy Industries, GoI).
- (vii) Registration certificate for producer under the Battery Waste Management Rules, 2022.
- (viii) Trade license certificate issued by Bruhat Bangalore Mahanagara Palike, Health Department, Ministry of Health.

C. Material approvals obtained in relation to the business and operations of our Company

(i) *Vehicle Plant at Hosur, Tamil Nadu*

- (a) Registration and license to work in a factory under the Tamil Nadu Factories Rules, 1950, issued by the Directorate of Industrial Safety and Health, Government of Tamil Nadu.
- (b) Consent to operate and establish under the Air (Prevention and Control of Pollution) Act, 1981, as amended, and the rules and orders made thereunder, issued by the Tamil Nadu Pollution Control Board at Chennai.
- (c) Consent to operate and establish under the Water (Prevention and Control of Pollution) Act, 1974, as amended, and the rules and orders made thereunder, issued by the Tamil Nadu Pollution Control Board at Chennai.
- (d) Renewal of authorisation to the occupiers, recyclers, reprocessors, reusers, users and operators of disposal facilities under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, issued by the Tamil Nadu Pollution Control Board at Chennai.
- (e) Authorisation for operating a facility for generation, collection, reception, treatment, storage, transport, and disposal of bio-medical wastes under the Bio-Medical Waste Management Rules, 2016, issued by the Tamil Nadu Pollution Control Board at Chennai.
- (f) Renewal of fire license for selling/ storing/ manufacturing/ pressing/ processing/ transporting of fireworks/ crackers/ petroleum items/ L.P.G. cylinders/explosives/other items of manufacturing of electronic power scooter under the Tamil Nadu Fire Service Act, 1985, and Tamil Nadu Fire & Rescue Service Rules, 1990, issued by the District Officer, Fire and Rescue Service, Krishnagiri, Tamil Nadu Fire & Rescue Service Department.
- (g) Certificate of registration under the Legal Metrology (Packaged Commodities), Rules 2011, issued by the Ministry of Consumer Affairs, Food and Publication, Department of Consumer Affairs.
- (h) License to operate and carry on the business under the Tamil Nadu Panchayat Act, 1994.
- (i) Certificate of registration issued under the Inter-State Migrant Workmen (Regulation of Employment and conditions of Services) Tamil Nadu Rules, 1983.

(ii) *Battery Plant at Hosur, Tamil Nadu*

- (a) Registration and license to work in a factory under the Tamil Nadu Factories Rules, 1950, issued by the Directorate of Industrial Safety and Health, Government of Tamil Nadu.
- (b) Consent to establish and operate under the Air (Prevention and Control of Pollution) Act, 1981, as amended, and the rules and orders made thereunder, issued by the Tamil Nadu Pollution Control Board at Chennai.

- (c) Consent to establish and operate under the Water (Prevention and Control of Pollution) Act, 1974, as amended, and the rules and orders made thereunder, issued by the Tamil Nadu Pollution Control Board at Chennai.
 - (d) Renewal of authorisation to the occupiers, recyclers, reprocessors, reusers, users and operators of disposal facilities under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, issued by the Tamil Nadu Pollution Control Board at Chennai.
 - (e) Authorisation for operating a facility for generation, collection, reception, treatment, storage, transport, and disposal of bio-medical wastes under the Bio-Medical Waste Management Rules, 2016, issued by the Tamil Nadu Pollution Control Board at Chennai.
 - (f) Renewal of fire license for selling/ storing/ manufacturing/ pressing/ processing/ transporting of fireworks/ crackers/ petroleum items/ L.P.G. cylinders/explosives/other items of manufacturing of electronic power scooter under the Tamil Nadu Fire Service Act, 1985, and Tamil Nadu Fire & Rescue Service Rules, 1990, issued by the District Officer, Fire and Rescue Service, Krishnagiri, Tamil Nadu Fire & Rescue Service Department.
 - (g) Certificate of registration under the Legal Metrology (Packaged Commodities), Rules 2011, issued by the Ministry of Consumer Affairs, Food and Publication, Department of Consumer Affairs.
 - (h) License to operate and carry on the business under the Tamil Nadu Panchayat Act, 1994.
 - (i) Certificate of registration issued under the Inter-State Migrant Workmen (Regulation of Employment and conditions of Services) Tamil Nadu Rules, 1983.
- (iii) ***Product Validation Lab at N.S Palya, Bengaluru, Karnataka***
- (a) Combined consent for discharge of effluents and consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and emission under Air (Prevention and Control of Pollution) Act, 1981, Karnataka Pollution Control Board at Bengaluru.
 - (b) Renewal of authorisation to the occupiers, recyclers, reprocessors, reusers, users and operators of disposal facilities under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, issued by the Karnataka State Pollution Control Board at Bengaluru.
 - (c) License to operate a factory issued by the department of factories, boilers, industrial safety and health under the Factories Act, 1948.
 - (d) Trade license renewal certificate issued by the Health Department, Ministry of Health.
- (iv) ***Product Validation Lab at Begur, Karnataka***
- (a) Consent for establishment under the Water (Prevention and Control of Pollution) Act, 1974 and emission under Air (Prevention and Control of Pollution) Act, 1981, Karnataka Pollution Control Board at Bengaluru.
 - (b) Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and emission under Air Prevention and Control of Pollution) Act, 1981, Karnataka Pollution Control Board at Bengaluru.
 - (c) License to operate a factory issued by the department of factories, boilers, industrial safety and health under the Factories Act, 1948.
 - (d) Export Promotion Capital Goods (“EPCG”) license issued by the Ministry of Commerce and Industry by the Government of India.
- (v) ***Battery Lab and Research and Development Lab at N.S Palya, Bengaluru, Karnataka***
- (a) Consent for operation under the Water (Prevention and Control of Pollution) Act, 1974 and emission under Air (Prevention and Control of Pollution) Act, 1981, Karnataka Pollution Control Board at Bengaluru.

- (b) License to operate a factory issued by the department of factories, boilers, industrial safety and health under the Factories Act, 1948.

(vi) **Factory 3.0**

- (a) Consent for establishment for manufacturing of E2Ws under RED category issued by the Maharashtra Pollution Control Board at Mumbai;
- (b) Certificate of registration issued under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996, by the Department of Labour, Government of Maharashtra;
- (c) Commencement certificate for development permission / building permission under the MIDC Comprehensive Development Control and Promotion Regulations, 2023 by the Maharashtra Industrial Township Limited (MITL);
- (d) Approval for Layout Plan (along with Service Plan and Landscape Plan) under the MIDC Comprehensive Development Control and Promotion Regulations, 2023 by the Maharashtra Industrial Township Limited (MITL);
- (e) Provisional fire approval under the Maharashtra Fire Prevention and Life Safety Measures Act, 2006 and National Building Code of India, 2023 by the Maharashtra Industrial Township Limited (MITL) – Fire Department; and
- (f) Certificate of registration under the Employees' State Insurance Act, 1948.

IV. Material Approvals pending in respect of our Company

A. Material approvals or renewals applied for but not received

Nil

B. Material approvals expired and renewal yet to be applied for

Nil

C. Material approvals required but not obtained or applied for

Except as disclosed in “*Objects of the Offer – Government and other approvals*” we have not made any applications with the relevant authorities in relation to the Factory 3.0.

Intellectual Property

Patents: Globally, we had 45 registered patents and 303 pending patent applications, as at February 28, 2025.

Design: Globally, we had 201 registered designs and 12 pending design applications, as at February 28, 2025.

Trademarks: Globally, we had 303 registered trademarks and 102 pending trademark applications, as at February 28, 2025.

For details in relation to our Intellectual Property, see “*Business- Intellectual Property*”.

For risks associated with our intellectual property, see “*Risk Factors – We may not be able to prevent others from unauthorised use of our intellectual property and may in the future become subject to patent, trademark and/or other intellectual property infringement claims*” on page 81.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorised the Offer pursuant to a resolution dated August 27, 2024.
- Our Shareholders have authorised the Fresh Issue, pursuant to a special resolution passed at their extraordinary general meeting held on September 5, 2024.
- Our Board has taken on record the consents of the Selling Shareholders to participate in the Offer for Sale pursuant to its resolution dated April 4, 2025.
- The Draft Red Herring Prospectus was approved pursuant to a resolution passed by our Board on September 6, 2024.
- Our IPO Committee has on September 9, 2024 approved the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.
- This Red Herring Prospectus was approved pursuant to a resolution passed by our Board dated April 22, 2025.

Consents from the Selling Shareholders

Each of the Selling Shareholders has, severally and not jointly, confirmed the transfer of its respective portion of the Offered Shares pursuant to the Offer for Sale, as set out below:

| Name of the Selling Shareholder | Date of consent letter | Date of board resolution/corporate authorisation, if applicable | Maximum number of Offered Shares [#] |
|--|------------------------|---|---|
| Tarun Sanjay Mehta | March 28, 2025 | - | 980,000 |
| Swapnil Babanlal Jain | March 28, 2025 | - | 980,000 |
| Caladium Investment Pte Ltd | March 28, 2025 | August 26, 2024 | 6,003,460 |
| National Investment and Infrastructure Fund II | March 28, 2025 | - | 2,634,514 |
| Internet Fund III Pte. Ltd. | March 27, 2025 | August 30, 2024 | 400,000 |
| IITM Incubation Cell | March 28, 2025 | - | 31,050 |
| IITMS Rural Technology and Business Incubator | March 28, 2025 | - | 4,191 |
| Amit Bhatia | September 4, 2024 | - | 18,531 |

In-principle listing approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of our Equity Shares pursuant to letters, each dated October 31, 2024.

Prohibition by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”) or governmental authorities

Our Company, our Promoters, members of our Promoter Group, our Directors, or persons in control of our Company and each of the Selling Shareholders are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended

Each of our Company, our Promoters, members of our Promoter Group and the Selling Shareholders, severally and not jointly, confirms that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable thereto in respect of its respective holding in our Company, as on the date of this Red Herring Prospectus.

Directors associated with the securities market

None of our Directors are associated with the securities market in any manner. No outstanding action has been initiated by SEBI against any of our Directors in the five years preceding the date of this Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the eligibility criteria provided in Regulation 6(2) of the SEBI ICDR Regulations and is in compliance with the conditions specified therein in the following manner:

We are required to allot not less than 75% of the Net Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. Further, not more than 15% of the Net Offer shall be available for allocation to NIB of which one-third of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000 and two-thirds of the Non-Institutional Category shall be available for allocation to Bidders with an application size of more than ₹1,000,000 provided that under-subscription in either of these two sub-categories of the Non-Institutional Category may be allocated to Bidders in the other sub-category of Non-Institutional Category in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

We do not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations, i.e. net tangible assets of at least ₹30 million under Regulation 6(1)(a) of SEBI ICDR Regulations; and (ii) average operating profit of ₹150 million under Regulation 6(1)(b) of SEBI ICDR Regulations. Therefore, we are required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable. Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares is in compliance with Regulation 8 and Regulation 8A of the SEBI ICDR Regulations, and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

Further, our Company confirms that it is eligible to make the Offer in terms of Regulation 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the following conditions specified in Regulation 5 and 7(1) of the SEBI ICDR Regulations:

- (a) our Company, the Selling Shareholders, our Promoters, the members of our Promoter Group, and our Directors are not debarred from accessing the capital market by SEBI;
- (b) none of our Promoters or our Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI;
- (c) none of our Company, our Promoters, the members of our Promoter Group or our Directors have been categorized as a Wilful Defaulter or a Fraudulent Borrower;
- (d) none of our Individual Promoters and our Directors are Fugitive Economic Offenders;
- (e) as on the date of this Red Herring Prospectus, except for options granted pursuant to the ESOP Scheme, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares.
- (f) our Company, along with the Registrar to the Company, has entered into tripartite agreements dated June 13, 2024 and June 13, 2024 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;
- (g) the Equity Shares of our Company held by our Promoters are in dematerialised form; and
- (h) the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”)

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO 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 THE 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 MANAGERS, BEING AXIS CAPITAL LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, JM FINANCIAL LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

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 AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE, SEVERALLY AND NOT JOINTLY, ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS TO THE EXTENT OF INFORMATION SPECIFICALLY PERTAINING TO ITSELF FOR ITS RESPECTIVE PORTION OF OFFERED SHARES. THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND EACH OF THE SELLING SHAREHOLDERS DISCHARGE ITS RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED, HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED, JM FINANCIAL LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 9, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders, and the Book Running Lead Managers (“BRLMs”)

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information, including our Company’s website at www.atherenergy.com or any of the websites of any affiliate of our Company or of any of the Selling Shareholders, would be doing so at his or her own risk.

Each of the Selling Shareholders, its respective directors, affiliates, partners, associates agents, designated partners, trustees, and officers, accept no responsibility for any statements made or undertakings provided other than those specifically confirmed or undertaken by such Selling Shareholder, and only in relation to itself and/or its respective Offered Shares and included in this Red Herring Prospectus and anyone placing reliance on any other source of information, including advertisements, or any other material issued by or at our Company’s instance, our Company’s website at www.atherenergy.com or any affiliate of our Company or the respective websites of any of the Selling Shareholders or the BRLMs, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders (with respect to itself and its respective portion of the Offered Shares) and the BRLMs 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, at Bidding Centres or elsewhere.

Investors who Bid in the Offer will be required to confirm and would be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, trustees, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus will be filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer in respect of jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, Hindu Undivided Families (“HUFs”), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), systemically important Non-Banking Financial Companies (“NBFCs”) or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority of India (“IRDAI”), permitted provident funds (subject to applicable law) and permitted pension funds (subject to applicable law), National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, Government of India (“GoI”) and permitted Non-Residents including Foreign Portfolio Investors (“FPIs”) and Eligible Non-Resident Individuals (“NRIs”), Alternate Investment Funds (“AIFs”), and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru, India only.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and transfer restrictions

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only (a) to persons in the United States that are “qualified institutional buyers” (as defined in Rule 144A) and referred to in this Red Herring Prospectus as “U.S. QIBs” and, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”) in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act in reliance on Rule 144A and (b) outside the United States in “offshore transactions” (as defined in Regulation S) in reliance on Regulation S 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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Disclaimer clause of BSE Limited

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by BSE to our Company *vide* its in-principle approval dated October 31, 2024, is as under:

“BSE Limited ("the Exchange") has given vide its letter dated October 31, 2024, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.*

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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.”

Disclaimer clause of National Stock Exchange of India Limited

As required, a copy of the Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company *vide* its in-principle approval dated October 31, 2024, is as under:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/4467 dated October 31, 2024, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is

to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever."

Listing

The Equity Shares proposed to be Allotted pursuant to this Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for the listing and trading of the Equity Shares being issued and sold in the Offer and NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds as required under the Companies Act, 2013 and any other applicable law will be reimbursed by such Selling Shareholder as agreed among our Company and the Selling Shareholders in writing, in proportion to its respective portion of the Offered Shares and as per Applicable Law. Provided that no Selling Shareholder shall be responsible or liable for payment of any expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder and such liability shall be limited to the extent of its respective Offered Shares and in such cases our Company shall be responsible to pay such interest.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI.

If our Company does not allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate as may be prescribed by the SEBI.

Consents

Consents in writing of: (a) each of the Selling Shareholders, our Directors, our Promoters, Promoter Group, our Company Secretary and Compliance Officer, our Statutory Auditors, the legal counsel to our Company, the bankers to our Company, industry report provider, independent chartered accountants, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Escrow Collection Bank, Public Offer Account Bank, Sponsor Bank, Refund Bank and Monitoring Agency to act in their respective capacities, have been obtained. Further, such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus with SEBI and this Red Herring Prospectus and the Prospectus with the RoC.

Experts to the Offer

- (i) Our Company has received written consent dated April 22, 2025 from Deloitte Haskins & Sells, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated February 3, 2025 on the Restated Financial Information; and
- (ii) their report dated April 2, 2025 on the statement of possible special tax benefits available to the Company and its Shareholders included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" and "consent" does

not represent an “expert” or “consent” within the meaning under the U.S. Securities Act.

- (ii) Our Company has received written consent dated April 22, 2025 from Manian & Rao, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the various certifications issued by them in their capacity as an independent chartered accountant to our Company and such consent has not been withdrawn as on the date of this Red Herring Prospectus.
- (iii) Our Company has received a written consent dated September 5, 2024 from M/s. RBSA Advisors LLP, to include their name as an “expert” as defined under Sections 2(38) and 26(5) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered engineer and in respect of the certificate issued by them and included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.
- (iv) Our Company has received a written consent dated March 11, 2025 from LexOrbis Intellectual Property Attorneys & Advocates, as intellectual property consultant to include its name as required under Section 26(5) of the Companies Act, 2013 in this Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.

Such consents have not been withdrawn as on the date of this Red Herring Prospectus. The term “experts” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Particulars regarding public or rights issues during the last five years

Except as disclosed in the section “*Capital Structure*” on page 124, our Company has not undertaken any public issues or rights issues during the five years preceding the date of this Red Herring Prospectus.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offering of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares during the five years preceding the date of this Red Herring Prospectus.

Capital issues in the preceding three years by our Company, our listed group companies, subsidiaries and associates of our Company

Except as disclosed in the section “*Capital Structure*” on page 124, our Company has not made any capital issue during the three years preceding the date of this Red Herring Prospectus. As on the date of this Red Herring Prospectus, our Company does not have any subsidiary or associate. Further, our Group Company has listed debt. For further details see, “*Our Group Company*”- *Certain other confirmations*” on page 486.

Performance vis-à-vis objects – public/rights issue of our Company

Except as disclosed in the section “*Capital Structure*” on page 124, our Company has not undertaken any public issues or rights issues during the five years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects - public/rights issue of any listed subsidiary/ Promoters of our Company

Our Corporate Promoter, HMCL, has not undertaken any public/ rights issues in the five years preceding the date of this Red Herring Prospectus. As on the date of this Red Herring Prospectus, we do not have a subsidiary.

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Price information of past issues handled by the Book Running Lead Managers

Axis Capital Limited

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

| Sr. No. | Issue name | Issue size (₹ millions) | Issue price (₹) | Listing date | Opening price on listing date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---------|--|-------------------------|-----------------|--------------------|--------------------------------------|---|---|--|
| 1 | Carraro India Limited ⁽²⁾ | 12,500.00 | 704.00 | December 30, 2024 | 651.00 | -27.73%, [-2.91%] | -56.10%, [-0.53%] | - |
| 2 | Ventive Hospitality Limited ^{^(2)} | 16,000.00 | 643.00 | December 30, 2024 | 716.00 | +5.51%, [-2.91%] | +10.80%, [-0.53%] | - |
| 3 | Transrail Lighting Limited ⁽¹⁾ | 8,389.12 | 432.00 | December 27, 2024 | 585.15 | +24.45%, [-3.19%] | +14.25%, [-1.79%] | - |
| 4 | International Gemmological Institute (India) Limited ^{^(2)} | 42,250.00 | 417.00 | December 20, 2024 | 510.00 | +24.24%, [-1.63%] | -21.39%, [-2.88%] | - |
| 5 | Zinka Logistics Solutions Limited ^{%(1)} | 11,147.22 | 273.00 | November 22, 2024 | 280.90 | +84.47%, [-1.36%] | +54.41%, [-4.02%] | - |
| 6 | Niva Bupa Health Insurance Company Limited ⁽²⁾ | 22,000.00 | 74.00 | November 14, 2024 | 78.14 | +12.97%, [+5.25%] | +8.09%, [-1.96%] | - |
| 7 | Waaree Energies Limited ⁽²⁾ | 43,214.40 | 1,503.00 | October 28, 2024 | 2,500.00 | +68.05%, [-0.59%] | +49.15%, [-5.12%] | - |
| 8 | Northern Arc Capital Limited ^{%(2)} | 7,770.00 | 263.00 | September 24, 2024 | 350.00 | -7.15%, [-5.80%] | -15.71%, [-9.07%] | -33.28%, [-9.98%] |
| 9 | Bajaj Housing Finance Limited ⁽²⁾ | 65,600.00 | 70.00 | September 16, 2024 | 150.00 | +99.86%, [-1.29%] | +89.23%, [-2.42%] | +64.64%, [-11.77%] |
| 10 | Baazar Style Retail Limited ^{%(1)} | 8,346.75 | 389.00 | September 6, 2024 | 389.00 | -1.32%, [+0.62%] | -16.11%, [-0.28%] | -43.43%, [-10.09%] |

Source: www.nseindia.com and www.bseindia.com

⁽¹⁾ BSE as Designated Stock Exchange

⁽²⁾ NSE as Designated Stock Exchange

[#] Offer Price was ₹ 613.00 per equity share to Eligible Employees

[^] Offer Price was ₹ 378.00 per equity share to Eligible Employees

[%] Offer Price was ₹ 248.00 per equity share to Eligible Employees

[&] Offer Price was ₹ 239.00 per equity share to Eligible Employees

^{\$} Offer Price was ₹ 354.00 per equity share to Eligible Employees

Notes:

- Issue Size derived from Prospectus/final post issue reports, as available.
- The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.
- Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

| Financial Year | Total no. of IPOs | Total funds raised (₹ in Millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days 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% |
| 2025-2026* | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2024-2025 | 20 | 445,928.65 | - | 1 | 2 | 7 | 6 | 4 | - | 2 | 2 | 7 | - | 2 |
| 2023-2024 | 18 | 218,638.22 | - | - | 4 | 2 | 6 | 6 | - | - | 3 | 7 | 4 | 4 |

* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

HSBC Securities and Capital Markets (India) Private Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HSBC Securities and Capital Markets (India) Private Limited

| S. No. | Issue name | Issue size (₹ million) | Issue price (₹) | Listing date | Opening price on listing date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing |
|--------|---|------------------------|-----------------|--------------------|--------------------------------------|---|---|--|
| 1. | Hexaware Technologies Limited ^{*5} | 87,500.00 | 708.00 | February 19, 2025 | 745.50 | +3.45%, [+1.12%] | NA | NA |
| 2. | Ventive Hospitality Limited ^{*6} | 16,000.00 | 643.00 | December 30, 2024 | 716.00 | +5.51%, [-2.91%] | 10.80%, [-0.53%] | NA |
| 3. | Hyundai Motor India Limited ^{*7} | 278,556.83 | 1,960.00 | October 22, 2024 | 1,934.00 | -6.64%, [-3.90%] | -8.72%, [-5.19%] | -15.22%, [-2.54%] |
| 4. | JSW Infrastructure Limited [#] | 28,000.00 | 119.00 | October 3, 2023 | 143.00 | +41.34%, [-2.93%] | +75.04%, [+10.27%] | +106.30%, [+12.42%] |
| 5. | R R Kabel Limited ^{#8} | 19,640.10 | 1,035.00 | September 20, 2023 | 1,179.00 | +34.45%, [-1.75%] | +64.44%, [+6.76%] | 36.24%, [+8.75%] |

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details.

BSE as designated stock exchange

* NSE as designated stock exchange

Notes:

1. Issue size derived from prospectus/final post issue reports, as available.
2. Nifty index and sensex is considered as the benchmark index as per the designated stock exchange (NSE or BSE).
3. Price on designated stock exchange (NSE or BSE) as disclosed by the respective issuer at the time of issue has been considered for all of the above calculations.
4. In case 30th/90th/180th day is not a trading day, closing price on designated stock exchange (NSE or BSE) of the previous trading day has been considered.
5. Discount of ₹67 per Equity Share was offered to the eligible employees bidding in the employee reservation portion
6. Discount of ₹ 30 per equity share was offered to eligible employees bidding in the employee reservation portion
7. Discount of ₹ 186 per equity share was offered to eligible employees bidding in the employee reservation portion
8. Discount of ₹ 98 per equity share was offered to eligible employees bidding in the employee reservation portion.

2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by HSBC Securities and Capital Markets (India) Private Limited

| Financial Year | Total no. of IPOs | Total amount of funds raised (₹ million) | No. of IPOs trading at discount - 30th calendar days from listing | No. of IPOs trading at premium - 30th calendar days from listing | No. of IPOs trading at discount - 180th calendar days from listing | No. of IPOs trading at premium - 180th calendar days from listing |
|----------------|-------------------|--|---|--|--|---|
|----------------|-------------------|--|---|--|--|---|

| | | | 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% |
|----------|---|------------|-------------|-------------------|------------------|-------------|-------------------|------------------|-------------|-------------------|------------------|-------------|-------------------|------------------|
| 2025-26* | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2024-25 | 3 | 382,056.83 | - | - | 2 | - | - | 1 | - | - | 1 | - | - | - |
| 2023-24 | 2 | 47,640.10 | - | - | - | - | 2 | - | - | - | - | 1 | 1 | - |

* This data covers issues up to YTD

Notes:

1. The information is as on the date of this Red Herring Prospectus.
2. The information for each of the financial years is based on issues listed during such financial year.
3. Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.s

JM Financial Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited

| Sr. No. | Issue name | Issue Size (₹ million) | Issue price (₹) | Listing Date | Opening price Listing Date (in ₹) | +/- % change in closing on price, [+/- % change in closing benchmark] - 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing |
|---------|--|---------------------------|--------------------|--------------------|---|---|--|---|
| 1. | Ajax Engineering Limited ^{*13} | 12,688.84 | 629.00 | February 17, 2025 | 576.00 | -2.86% [-0.55%] | Not Applicable | Not Applicable |
| 2. | Ventive Hospitality Limited ^{*12} | 16,000.00 | 643.00 | December 30, 2024 | 716.00 | 5.51% [-2.91%] | 10.80% [-0.53%] | Not Applicable |
| 3. | Inventurus Knowledge Solutions Limited* | 24,979.23 | 1,329.00 | December 19, 2024 | 1,900.00 | 40.85% [-3.13%] | 13.77% [-4.67%] | Not Applicable |
| 4. | Zinka Logistics Solutions Limited ^{# 7} | 11,147.22 | 273.00 | November 22, 2024 | 279.05 | 84.47% [-1.36%] | 54.41% [-4.02%] | Not Applicable |
| 5. | ACME Solar Holdings Limited ^{*11} | 29,000.00 | 289.00 | November 13, 2024 | 251.00 | -6.02% [4.20%] | -25.62% [-0.75%] | Not Applicable |
| 6. | Western Carriers (India) Limited* | 4,928.80 | 172.00 | September 24, 2024 | 171.00 | -20.69% [-5.80%] | -34.65% [-9.07%] | -52.05% [-9.98%] |
| 7. | Bajaj Housing Finance Limited* | 65,600.00 | 70.00 | September 16, 2024 | 150.00 | 99.86% [-1.29%] | 89.23% [-2.42%] | 64.64% [-11.77%] |
| 8. | Baazar Style Retail Limited ^{#10} | 8,346.75 | 389.00 | September 06, 2024 | 389.00 | -1.32% [0.62%] | -16.11% [-0.28%] | -43.43% [-10.09%] |
| 9. | Brainbees Solutions Limited ^{*9} | 41,937.28 | 465.00 | August 13, 2024 | 651.00 | 37.49% [3.23%] | 21.39% [0.04%] | -10.02% [-2.40%] |
| 10. | Ceigall India Limited ^{*8} | 12,526.63 | 401.00 | August 08, 2024 | 419.00 | -4.89% [3.05%] | -14.01% [0.40%] | -26.17% [-3.13%] |

Source: www.nseindia.com and www.bseindia.com

BSE as Designated Stock Exchange

* NSE as Designated Stock Exchange

Notes:

1. Opening price information as disclosed on the website of the Designated Stock Exchange.
2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
5. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.
6. Restricted to last 10 issues.

7. A discount of Rs. 25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
8. A discount of Rs. 38 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
9. A discount of Rs. 44 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
10. A discount of Rs. 35 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
11. A discount of Rs. 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
12. A discount of Rs. 30 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
13. A discount of Rs. 59 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.

2. Summary statement of price information of past issues handled by JM Financial Limited:

| Financial Year | Total no. of IPOs | Total funds raised (' Millions) | Nos. of IPOs trading at discount on as on 30 th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30 th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180 th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180 th calendar days 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% |
| 2025-2026 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2024-2025 | 13 | 2,55,434.10 | - | - | 5 | 5 | 2 | 1 | 1 | 2 | 1 | 3 | - | 1 |
| 2023-2024 | 24 | 2,88,746.72 | - | - | 7 | 4 | 5 | 8 | - | - | 5 | 7 | 5 | 7 |

Nomura Financial Advisory and Securities (India) Private Limited

1. Price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

| S. No. | Issue Name | Issue Size (₹ Mn.) | Issue price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing |
|--------|--|--------------------|------------------|-------------------|-------------------------------|---|---|--|
| 1. | Inventurus Knowledge Solutions Limited | 24,979.23 | 1,329 | December 19, 2024 | 1,900.00 | +40.85% [-3.13%] | +13.77% [-4.67%] | Not applicable |
| 2. | Afcons Infrastructure Limited | 54,300.00 | 463 ¹ | November 04, 2024 | 426.00 | +6.56% [+1.92%] | +2.03% [-2.03%] | Not applicable |
| 3. | Waaree Energies Limited | 43,214.40 | 1,503 | October 28, 2024 | 2,500.00 | +68.05% [-0.59%] | +49.15% [-5.12%] | Not applicable |
| 4. | Aadhar Housing Finance Limited | 30,000.00 | 315 ² | May 15, 2024 | 315.00 | +25.56% [+5.40%] | +33.89% [+9.67%] | +45.98% [+8.77%] |
| 5. | Indegene Limited | 18,417.59 | 452 ³ | May 13, 2024 | 655.00 | +24.28% [+5.25%] | +26.86% [+10.24%] | +52.57% [+9.25%] |
| 6. | Protean Technologies Limited | eGov 4,899.51 | 792 ⁴ | November 13, 2023 | 792.00 | +45.21% [+7.11%] | +73.18% [+10.26%] | +45.85% [+11.91%] |

| S. No. | Issue Name | Issue Size (₹ Mn.) | Issue price (₹) | Listing Date | Opening Price on Listing Date | +/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing |
|--------|-------------------------------------|--------------------|------------------|-------------------|-------------------------------|---|---|--|
| 7. | Avalon Technologies Limited | 8,649.99 | 436 | April 18, 2023 | 436.00 | -10.09% [+2.95%] | +59.45% [+10.78%] | +21.32% [+11.84%] |
| 8. | Five-Star Business Finance Limited | 15,885.12 | 474 | November 21, 2022 | 468.80 | +29.72% [+1.24%] | +19.20% [-1.19%] | +11.72% [+0.24%] |
| 9. | Life Insurance Corporation of India | 205,572.31 | 949 ⁵ | May 17, 2022 | 867.20 | -27.24% [-3.27%] | -28.12% [+9.47%] | -33.82% [+13.76%] |
| 10. | MedPlus Health Services Limited | 13,982.95 | 796 ⁶ | December 23, 2021 | 1,015.00 | +53.22% [+3.00%] | +23.06% [+1.18%] | -6.55% [-9.98%] |

Source: www.nseindia.com, www.bseindia.com

- Discount of INR 44.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
- Discount of INR 23.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
- Discount of INR 30.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
- Discount of INR 75.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
- Discount of INR 60.00 per Equity Share was offered to eligible policyholders bidding in the Policyholder Reservation Portion, discount of INR 45.00 per Equity Share was offered to eligible employees and retail individual bidders bidding in the Employee Reservation Portion and the Retail Portion respectively
- Discount of INR 78.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion

Notes:

- For each issue, depending on its Designated Stock Exchange, BSE or NSE; Sensex or Nifty50 is considered as the benchmark for each issue
- For each issue, depending on its Designated Stock Exchange, price on BSE or NSE is considered for above calculations
- In case 30th/90th/180th day is not a trading day, closing price on BSE or NSE of the previous trading day has been considered
- Not applicable – Period not completed
- Above list is limited to last 10 equity initial public issues

2. Summary statement of price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

| Financial Year | Total no. of IPOs | Total amount of funds raised (₹ mn) | No. of IPOs trading at discount – 30 th calendar days from listing | | | No. of IPOs trading at premium – 30 th calendar days from listing | | | No. of IPOs trading at discount – 180 th calendar days from listing | | | No. of IPOs trading at premium – 180 th calendar days from listing | | |
|----------------|-------------------|-------------------------------------|---|----------------|---------------|--|----------------|---------------|--|----------------|---------------|---|----------------|---------------|
| | | | 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% |
| 2025-2026 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2024-2025 | 5 | 170,911.22 | - | - | - | 1 | 2 | 2 | - | - | - | 1 | 1 | - |
| 2023-2024 | 2 | 13,549.50 | - | - | 1 | - | 1 | - | - | - | - | - | 1 | 1 |

Source: www.nseindia.com, www.bseindia.com

Notes:

- The information is as on the date of this document
- The information for each of the financial years is based on issues listed during such financial year

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Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

| S. No. | Name of the BRLM | Website |
|--------|--|---|
| 1. | Axis Capital Limited | www.axiscapital.co.in |
| 2. | HSBC Securities and Capital Markets (India) Limited | www.business.hsbc.co.in |
| 3. | JM Financial Limited | www.jmfl.com |
| 4. | Nomura Financial Advisory and (Securities) India Limited | https://www.nomuraholdings.com/company/group/asia/nfaspl.html |

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the Self Certified Syndicate Banks (“SCSBs”) for addressing any clarifications or grievances of application supported by blocked amount (“ASBA”) Bidders.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer 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. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of the SEBI ICDR Regulations.

All Offer related grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary, with whom the Bid cum Application Form was submitted giving 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, address of Bidder, number of the Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. For Offer-related grievances, investors may contact the BRLMs, details of which are given in “**General Information – Book Running Lead Managers**” on page 116.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Pursuant to the SEBI ICDR Master Circular, SEBI has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI ICDR Master Circular, 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, in terms of the SEBI ICDR Master Circular, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the SEBI ICDR Master Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario | Compensation amount | Compensation period |
|--|--|--|
| Delayed unblock for cancelled/withdrawn/deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation/withdrawal/deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original Bid Amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non-Allotted/partially Allotted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | Three Working Days from the Bid/Offer Closing Date till the date of the actual unblock |

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor. Our Company, the BRLMs, Selling Shareholders and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of investor grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSBs in case of ASBA bidders for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has obtained authentication on the SCORES platform and shall comply with the SEBI circulars in

relation to redressal of investor grievances through SCORES.

Our Company has appointed Puja Aggarwal, as the Company Secretary and Compliance Officer of our Company. See “**General Information – Company Secretary and Compliance Officer**” on page 115.

Each of the Selling Shareholders, severally and not jointly, have authorized Puja Aggarwal, the Company Secretary and Compliance Officer of our Company and the Registrar to the offer to redress any complaints received from Bidders solely to the extent of the statements specifically made, confirmed or undertaken by it in the Offer Documents in respect of itself and its respective Offered Shares.

Our Company has also constituted a Stakeholders’ Relationship Committee to resolve the grievances of the security holders of our Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends and issue of new/duplicate certificates. See “**Our Management – Stakeholders’ Relationship Committee**” on page 345.

Our Company has not received any investor complaint during the three years preceding the date of this Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Red Herring Prospectus.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Bid in the Offer, except for fees or commission for services rendered in relation to the Offer.

Exemption from complying with any provisions of securities laws, if any, granted by Securities and Exchange Board of India

Our Company has not sought any exemption from complying with any provisions of securities laws as on the date of this Red Herring Prospectus.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to this Offer are and shall be subject to the provisions of the Companies Act, 2013 (“**Companies Act, 2013**”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**SEBI ICDR Regulations**”), the Securities Contracts (Regulation) Act, 1956 (“**SCRA**”), the Securities Contracts (Regulation) Rules, 1957 (“**SCRR**”), the Memorandum of Association, the Articles of Association, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), the terms of this Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the Abridged Prospectus and other terms and conditions as may be incorporated in the CAN, Allotment Advice and other documents and certificates that may be executed in respect of the Offer. 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 Securities and Exchange Board of India (“**SEBI**”), Government of India (“**GoI**”), the Stock Exchanges, the Registrar of Companies, Karnataka at Bengaluru (“**RoC**”), the Reserve Bank of India (“**RBI**”), and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as maybe prescribed by SEBI, GoI, the Stock Exchange, the RoC, the RBI, and/or other authorities while granting its approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of rights to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment as per the applicable law. See “**Provisions of the Articles of Association**” beginning on page 543.

Mode of payment of dividend

Our Company will pay dividends, if declared, to the Shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the Government of India in this respect or any other applicable law. Any dividends declared, after the date of Allotment in the Offer, will be payable to the Allottees who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. See “**Dividend Policy**” and “**Provisions of the Articles of Association**” beginning on pages 358 and 543, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 1 each and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLMs, and published by our Company in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Bengaluru editions of Vishwavani (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. 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 at the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for Equity Shares offered by way of the Book Building Process.

At any given point in time there will be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders will have the following rights:

1. right to receive dividends, if declared;
2. right to attend general meetings and exercise voting powers, unless prohibited by law;
3. right to vote on a poll either in person or by proxy and e-voting in accordance with the provisions of the Companies Act;
4. right to receive offers for rights shares and be allotted bonus shares, if announced;
5. right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
6. right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
7. such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Provisions of the Articles of Association*” beginning on page 543.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form. Hence, the Equity Shares offered through this Red Herring Prospectus can be applied for in dematerialised form only. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form.

In this context, two agreements have been entered into and amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated June 13, 2024 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated June 13, 2024 among CDSL, our Company and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Share, subject to a minimum Allotment of [●] Equity Shares for QIBs and RIBs. For NIBs allotment shall not be less than the Minimum Non-Institutional Application Size. For the method of Basis of Allotment, see “*Offer Procedure*” beginning on page 519.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, India.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination Facility to Investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the

Equity Shares by reason of the death of the original holder(s), shall 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, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. 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 our Registered Office or to the Registrar and Share Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our 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 days, our Board may thereafter withhold payment of all dividend, interests, bonuses or other monies 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 Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participants.

Bid/Offer Period

| | |
|--|---------------------------|
| BID/OFFER OPENS ON | Monday, April 28, 2025 |
| BID/OFFER CLOSES ON[#] | Wednesday, April 30, 2025 |

[#] UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

An indicative timetable in respect of the Offer is set out below:

| | |
|--|----------------------------------|
| FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE | On or about Friday, May 2, 2025 |
| INITIATION OF REFUNDS FOR ANCHOR INVESTORS/ UNBLOCKING OF FUNDS FROM ASBA ACCOUNT[*] | On or about Monday, May 5, 2025 |
| CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS | On or about Monday, May 5, 2025 |
| COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE | On or about Tuesday, May 6, 2025 |

^{*} In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, from three Working Days from the Bid/ Offer Closing Date till date of actual unblock, by the intermediary responsible for causing such delay in unblocking. The BRLMs and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. 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 in compliance with the SEBI ICDR Master Circular, for which the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. The processing fee for applications made by the 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 ICDR Master Circular.

The above timetable is indicative and does not constitute any obligation on our Company or any of the Selling Shareholders or the BRLMs.

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 Exchanges are taken within three Working days of Bid/ Offer Closing Date or such time as may be prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. The commencement of

trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholder, severally and not jointly, confirms that it shall extend reasonable support and co-operation to our Company, to the extent such reasonable support and cooperation is in relation to its respective portion of the Offered Shares, as required under applicable law, to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such time as prescribed by SEBI.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 had reduced the post issue timeline for IPOs. The revised timeline of T+3 days has been 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. Accordingly, the Offer will be made under UPI Phase III on mandatory basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to the SEBI ICDR Master Circular.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working days of Bid/ Offer Closing Date or such time prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

| Bid/Offer Period (except the Bid/Offer Closing Date) | |
|---|---|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. IST |
| Bid/Offer Closing Date* | |
| Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIIs, other than QIBs and Non-Institutional Investors | Only between 10.00 a.m. and up to 5.00 p.m. IST |
| Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications) | Only between 10.00 a.m. and up to 4.00 p.m. IST |
| Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications) | Only between 10.00 a.m. and up to 3.00 p.m. IST |
| Submission of Physical Applications (Bank ASBA) | Only between 10.00 a.m. and up to 1.00 p.m. IST |
| Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications of QIBs and Non-Institutional Investors) | Only between 10.00 a.m. and up to 12.00 p.m. IST |
| Modification/ Revision/cancellation of Bids | |
| Upward Revision of Bids by QIBs and Non-Institutional Investors categories [#] | Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 4.00 p.m. IST on Bid/Offer Closing Date |
| Upward or downward Revision of Bids or cancellation of Bids by RIIs | Only between 10.00 a.m. on the Bid/Offer Opening Date and up to 5.00 p.m. IST on Bid/Offer Closing Date |

^{*}UPI mandate end time and date shall be at 5:00 pm on the Bid/Offer Closing Date.

[#]QIBs and Non-Institutional Investors can neither revise their bids downwards nor cancel/ withdraw their Bids.

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors; and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors and Eligible Employees .

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIIs, Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the bid closure time from the Bid/Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the

closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis, as per the format prescribed in the SEBI ICDR Master Circular.

It is clarified that Bids shall be processed only after the application monies are blocked in the ASBA Account and 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.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 12.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. Further, as per letter no. list/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public/bank holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Banks, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

On the date of closure of the Offer, if our Company does not receive (i) minimum subscription of 90% of the Fresh Issue; or (ii) a subscription in the Offer equivalent to at least the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, or (iii) in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date; or (iv) if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, our Company shall forthwith refund the entire subscription amount received, within the timeline prescribed under applicable law. If there is a delay beyond such timeline, our Company shall pay interest at the rate of 15% per annum in accordance with circulars issued by SEBI including the SEBI ICDR Master Circular.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any,

in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

In case of under-subscription in the Offer, the Equity Shares will be allotted in the following order of priority: (a) Equity Shares will first be Allotted by the Company such that 90% of the Fresh Issue portion is subscribed ("**Minimum Subscription**"); (b) subsequently (i), all the Offered Shares being offered by National Investment and Infrastructure Fund II and Caladium Investment Pte Ltd will be allotted; (ii) all the Offered Shares (in proportion to the Offered Shares being offered by each Selling Shareholder, except for entities mentioned in (i)) will be allotted; and (c) once Equity Shares have been Allotted as per (a), (b) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue portion.

Arrangements for disposal of odd Lots

Since the Equity Shares will be treated in dematerialised form only, and the market lot for the Equity Shares will be one Equity Share, there are no arrangements for disposal of odd lots.

New financial instruments

Our Company is not issuing any new financial instruments through the Offer.

Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of pre-Offer equity shareholding, minimum Promoter's Contribution and Anchor Investor lock-in in the Offer, as detailed in "*Capital Structure – History of share capital held by Promoters*" beginning on page 147 and except as provided in our Articles as detailed in "*Provisions of the Articles of Association*" beginning on page 543, there are no restrictions on transfers and transmission of shares/debentures and on their consolidation/splitting.

Option to receive Equity Shares in dematerialized form

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. 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 Offer, subject to applicable laws.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, and each of the Selling Shareholders to the extent of its respective portion of the Offered Shares, reserve the right not to proceed with the Offer, in whole or in part thereof, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer and price band advertisement was published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, in case of UPI Bidders, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer and price band advertisement has appeared and the Stock Exchanges will also be informed promptly.

If our Company in consultation with the BRLMs withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) 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 Bid/ Offer Closing Date or such other time period as prescribed under applicable law; and (ii) the final RoC approval of the Prospectus after it is filed and/ or submitted with the RoC and the Stock Exchanges. 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.

OFFER STRUCTURE

The Offer is of [●] Equity Shares of face value of ₹1 each, for cash at a price of ₹[●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million comprising a Fresh Issue of [●] Equity Shares of face value of ₹1 each, aggregating up to ₹ 26,260 million by our Company and an Offer for Sale of up to 11,051,746 Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million by the Selling Shareholders. The Offer comprises Employee Reservation Portion of up to 100,000 Equity Shares of face value of ₹1 each aggregating to ₹ [●] million and a Net Offer of [●] Equity Shares of face value of ₹1 each. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer shall constitute [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

In terms of Rule 19(2)(b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations

| Particulars | Eligible Employees [#] | QIBs ⁽¹⁾ | NIIIs | RIIs |
|---|---|---|---|--|
| Number of Equity Shares available for Allotment or allocation ^{*(2)} | Up to 100,000 Equity Shares of face value of ₹1 each | Not less than [●] Equity Shares of face value of ₹1 each, aggregating to ₹ [●] million, subject to the allocation/ allotment of not less than 75% of the Net Offer | Not more than [●] Equity Shares of face value of ₹1 each, available for allocation or Net Offer less allocation to QIB Bidders and RIIs | Not more than [●] Equity Shares of face value of ₹1 each, available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Investors |
| Percentage of Offer available for Allotment or allocation | [●]% of the post-Offer Size paid-up equity share capital of our Company | Not less than 75% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the QIB Portion will 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 (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs | Not more than 15% of the Net Offer less allocation to QIB Bidders and RIIs shall be available for allocation, subject to the following: (i) one-third of the portion available to NIIIs shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹1,000,000 million; and (ii) two-third of the portion available to NIIIs shall be reserved for applicants with application size of more than ₹1,000,000. provided that the unsubscribed portion in either of the subcategories specified above may be allocated to applicants in the other sub-category of NIIIs | Not more than 10% of the Net Offer or the Offer less allocation to QIB Bidders and Non-Institutional Investors will be available for allocation |
| Basis of Allotment respective category is oversubscribed* | Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of Employee Discount, if any). In the event of undersubscription in the | Proportionate as follows (excluding the Anchor Investor Portion): a) [●] Equity Shares of face value of ₹1 each, shall be available for allocation on a proportionate basis to Mutual Funds only; | The Allotment of Equity Shares to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a | The allotment to each RII shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. See |

| Particulars | Eligible Employees [#] | QIBs ⁽¹⁾ | NIIs | RIIs |
|-------------|--|--|--|---|
| | Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees Bidding in the Employee Reservation Portion for value exceeding ₹200,000 (net of Employee Discount, if any), subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any) | b) [●] Equity Shares of face value of ₹1 each, shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above; and [●] Equity Shares of face value of ₹1 each, may be allocated on a discretionary basis to Anchor Investors, of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price. | proportionate basis in accordance with the conditions specified in Schedule XIII to the SEBI ICDR Regulations | “Offer Procedure” beginning on page 519. |
| Mode of Bid | Through ASBA process only (including the UPI Mechanism) | Through ASBA process only (except Anchor Investors) (excluding the UPI Mechanism) | Through ASBA process only (including the UPI Mechanism for Bids up to ₹ 500,000) | Through ASBA process only (including the UPI Mechanism) |
| Minimum Bid | [●] Equity Shares of face value of ₹1 each | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each, such that the Bid Amount exceeds ₹ 200,000. | For Non-Institutional Investors applying under one-third of the Non-Institutional Category (with application size of more than ₹200,000 and up to ₹1,000,000) such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each, such that the Bid Amount exceeds ₹ 200,000. For Non-Institutional Investors applying under two-thirds of the Non-Institutional Category (with application size of more than ₹1,000,000) such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each, such that the Bid Amount exceeds ₹ 1,000,000. | [●] Equity Shares of face value of ₹1 each |
| Maximum Bid | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each, so as to ensure that the Bid Amount by each Eligible Employee does not exceed ₹500,000 less Employee Discount, if any | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each, not exceeding the size of the Net Offer (excluding the Anchor Investor Portion), subject to applicable limits to each Bidder | For Non-Institutional Investors applying under one-third of the Non-Institutional Category (with application size of more than ₹200,000 and up to ₹1,000,000) such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each, such that the Bid Amount does not exceeds ₹ 1,000,000. | Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹1 each, so that the Bid Amount does not exceed ₹ 200,000 |

| Particulars | Eligible Employees [#] | QIBs ⁽¹⁾ | NII | RII |
|---------------------------------------|--|--|--|---|
| | | | For Non-Institutional Investors applying under two-thirds of the Non-Institutional Category (with application size of more than ₹1,000,000) such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹ 1 each not exceeding the size of the Net Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder | |
| Mode of Allotment | Compulsorily in dematerialised form | | | |
| Bid Lot | [●] Equity Shares of face value of ₹1 each, and in multiples of [●] Equity Shares of face value of ₹1 each, thereafter | | | |
| Allotment Lot | [●] Equity Shares of face value of ₹1 each, and in multiples of one Equity Share of face value of ₹ 1 each thereafter | [●] Equity Shares of face value of ₹1 each, and in multiples of one Equity Share of face value of ₹ 1 each thereafter | Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares of face value of ₹ 1 thereafter. | [●] Equity Shares of face value of ₹1 each, and in multiples of one Equity Share of face value of ₹ 1 each thereafter |
| Trading Lot | One Equity Share | | | |
| Who can apply ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ | Eligible Employees | Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million registered with the Pension Fund Regulatory and Development Authority established under the provisions of Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI, 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, | Resident individuals, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI. | Resident individuals, HUFs (in the name of the karta) |

| Particulars | Eligible Employees [#] | QIBs ⁽¹⁾ | NIIs | RIIs |
|------------------|---|---------------------|------|------|
| | India and Systemically Important NBFCs. | | | |
| Terms of Payment | <p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽⁴⁾</p> <p>In case of all other Bidders: Full Bid Amount shall be blocked by the Self-Certified Syndicate Banks (“SCSBs”) in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Banks through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form</p> | | | |

* Assuming full subscription in the Offer.

Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000 (net of Employee Discount, if any). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (net of Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any). An Eligible Employee Bidding in the Employee Reservation Portion (subject to Bid Amount being up to ₹ 200,000) can also Bid in the Retail Portion, and such Bids shall not be considered multiple Bids. However, Bids by Eligible Employees (subject to such Bids being more than ₹ 200,000) Bidding in the Employee Reservation Portion and in the Non Institutional Portion shall be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

^ SEBI vide the SEBI ICDR Master Circular, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

(1) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100,000,000, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100,000,000 but up to ₹ 2,500,000,000 under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50,000,000 per Anchor Investor, and (iii) in case of allocation above ₹ 2,500,000,000 under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500,000,000 and an additional 10 Anchor Investors for every additional ₹ 2,500,000,000 or part thereof will be permitted, subject to minimum allotment of ₹ 50,000,000 per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100,000,000. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLMs.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(2) of the SEBI ICDR Regulations.

(3) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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. The signature of only such 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.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the Confirmation of Allotment Note (“CAN”).

(5) Bids by FPIs with certain structures as described under “Offer Procedure – Bids by Foreign Portfolio Investors” beginning on page 526 and having the 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 the same PAN) may be proportionately distributed.

(6) Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters, their respective directors, officers, designated partners, partners, trustees, associates, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid. Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion,

and, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, if any, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, if any, at the time of making a Bid. In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding ten Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. 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 Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

All Bidders should read 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 which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) issuance of CAN and allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications. SEBI vide its 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, 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 UPI Bidders 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.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective 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. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time, including the SEBI ICDR Master Circular. Further, SEBI vide its 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 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 introduced certain additional measure for streamlining process for initial public offers and redressing investor grievances. Subsequently, vide the SEBI RTA Master Circular, consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) to the extent relevant for RTAs, and rescinded these circulars. Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar. This circular came into force for initial public offers which opened on or after May 1, 2022. 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 shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The SEBI ICDR Master Circular has consolidated and rescinded the aforementioned circulars, to the extent they relate to the SEBI ICDR Regulations, and also prescribed certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of the SEBI ICDR Master Circular are deemed to form part of this Red Herring Prospectus.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular and the SEBI ICDR Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI ICDR Master Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with Applicable Laws and did 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 this Red Herring Prospectus and the Prospectus. Further, our Company, the Selling Shareholders and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL, our Company may request the Depositories to suspend/ freeze the ISIN in depository system till listing/ trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/ freeze the ISIN in depository system from or around the date of this Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Offer shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/ frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid/ Offer Opening Date.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the Book Running Lead Managers may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net 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 Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Furthermore, up to 100,000 Equity Shares of face value of ₹1 each, aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Subject to valid Bids being received at or above the Offer 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 a combination of categories at the discretion of our Company in consultation with the BRLMs, and the Designated 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 case of under-subscription in the Offer, Equity Shares up to 90% of the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale, provided that the balance subscription in the Offer will be met in the following order of priority (i) through the sale of the Offered Shares

being offered by the Selling Shareholders in the Offer for Sale on a proportionate basis, and then (ii) through the issuance of balance part of the Fresh Issue. The balance Equity Shares of the Fresh Issue (*i.e.*, 10% of the Fresh Issue) will be offered only once the entire portion of the Offered Shares is Allotted in the Offer. In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least [●]% of the post Offer paid-up Equity Share capital of our Company. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount, if any) subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes on February 13, 2020, and press release dated June 25, 2021 and September 17, 2021, CBDT circular no.7 of 2022, dated March 30, 2022, read with press release dated March 28, 2023, read with subsequent circulars issued in relation thereto.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including depository participant's identity number ("DP ID"), client identification number ("Client ID"), PAN and unified payments interface identity number ("UPI ID"), as applicable, 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 Offer, subject to applicable laws.

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 and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the relevant 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 Bidder 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. 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 and implemented 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 until June 30, 2019. Under this phase, an RII 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 is later. SEBI pursuant to 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 pursuant to its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till 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.

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 Offer 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 processing fees for applications made by UPI Bidders using the UPI Mechanism 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. Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification. The Offer shall be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all Bengaluru editions of Vishwavani (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered Office is located), on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering the facility of making application in public issues shall also provide facility to make application using UPI. Our Company has appointed the Sponsor Banks to act as a conduit between the Stock Exchanges and National Payments Corporation of India (“**NPCI**”) in order to facilitate collection of requests and/or payment instructions of the UPI Bidders using the UPI.

NPCI through its circular (NPCI/UPI/OC No. 127/ 2021-22) dated December 9, 2021, inter alia, has enhanced the per transaction limit from ₹ 200,000 to ₹ 500,000 for applications using UPI in initial public offerings.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send short message service (“**SMS**”) alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

Further, pursuant to the SEBI ICDR Master Circular, all UPI Bidders shall provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- (i) a syndicate member;
- (ii) a stockbroker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); or
- (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

Electronic registration of Bids

- (i) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
- (ii) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.
- (iii) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (<https://www.bseindia.com>) and NSE (<https://www.nseindia.com>) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders shall Bid in the Offer through the UPI Mechanism. 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 UPI Bidders 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 Offer through the ASBA process. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI. 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. For all initial public offerings opening on or after September 1, 2022, as specified in SEBI pursuant to its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. This circular shall be applicable for all categories of investors viz. Retail, QIB, NII and other reserved categories and also for all modes through which the applications are processed. ASBA Bidders may submit the ASBA Form in the manner below:

- (i) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs with the Syndicate, Sub-Syndicate Members, Registered Brokers, Registrar and Share Transfer Agents (“RTAs”) or Collecting Depository Participants (“CDPs”), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) RIIs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the 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.
- (iii) QIBs and NIBs (other than UPI Bidders) may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient credit balance such that an amount equivalent to full Bid Amount can be blocked therein, at the time of submitting the Bid. as the application made by a ASBA Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the investor's bank accounts, pursuant to the SEBI ICDR Master Circular.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|-------------------------------------|
| Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^ | White |
| Non-Residents including Foreign Portfolio Investors (“FPIs”), Eligible Non-Resident Investors (“NRIs”) applying on a repatriation basis, foreign Venture Capital Investors (“FVCIs”) and registered bilateral and multilateral institutions | Blue |
| Anchor Investors^^ | White |
| Eligible Employees Bidding in the Employee Reservation Portion# | Pink |

*Excluding the electronic Bid cum Application Form.

^Electronic Bid cum Application Form will be made available for download on the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com).

^^Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of our Company.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For RIIs using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds.

In case of ASBA Forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders, for blocking of funds. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in the SEBI ICDR Master Circular.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, Core Banking System (“**CBS**”) data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Participation by the Promoters and Promoter Group of our Company, BRLMs, the Syndicate Members and their associates and affiliates and the persons related thereto

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their respective underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the

BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices which are associates of the BRLMs) or pension fund sponsored by entities which are associate of the BRLMs nor; (ii) any person related to the Promoters or Promoter Group shall apply in the Offer under the Anchor Investor Portion

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the BRLMs;
- (ii) insurance companies promoted by entities which are associate of the BRLMs;
- (iii) Alternate Investment Funds (“AIFs”) sponsored by the entities which are associate of the BRLMs;
- (iv) Foreign Portfolio Investors (“FPIs”) other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs; or
- (v) pension funds sponsored by entities which are associate of the BRLMs;

Except to the extent of the Offered Shares, our Promoters and the members of our Promoter Group will not participate in the Offer. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

- (i) rights under a shareholders’ agreement or voting agreement entered into with our Promoters or Promoter Group;
- (ii) veto rights; or
- (iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an “associate of the BRLM” if:

- (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable laws.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value (“NAV”) in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible Non-resident Indians (“NRIs”)

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorise their SCSB to block their Non-Resident External (“NRE”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“FCNR”) accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorise 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. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a 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).

Participation of Eligible NRIs in the Offer shall be subject to the Foreign Exchange Management Act (“FEMA”) Non-debt Instrument Rules. Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/NRO accounts. In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall 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 Overseas Citizen of India (“OCI”) put together shall not exceed 10% of the total paid-up Equity Share 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 warrant. Our Company has raised the aggregate ceiling to 24% by a special resolution dated September 5, 2024. For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 541.

Bids by Hindu Undivided Families (“HUFs”)

Bids by Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid 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”. Bids by HUFs may be considered at par with Bids from individuals.

Bids by Foreign Portfolio Investors (“FPIs”)

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Bids by FPIs which utilise the multi-investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI 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, may issue, subscribe to 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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the multiple investment managers ("MIM") Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Further, in the following cases, Bids by FPIs shall not be treated as multiple Bids:

- FPIs which utilise the MIM structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments ("ODI") which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;

- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the abovementioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the Applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form *“exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus.”*

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the **“FPI Group”**) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by Securities and Exchange Board of India (“SEBI”) registered Venture Capital Funds (“VCFs”), Alternate Investment Funds (“AIFs”) and Foreign Capital Investors (“FVCIs”)

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (**“SEBI VCF Regulations”**) as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (**“SEBI AIF Regulations”**) prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended (**“SEBI FVCI Regulations”**) prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations 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 non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of AIFs, VCFs and FVCIs shall also be subject to the FEMA Rules.

Further, the shareholding of VCFs, Category I AIFs or Category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

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, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

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 Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate equity investments in any other entities engaged in financial and non-financial services, including overseas investments, cannot exceed 20% of the bank's paid-up share capital and reserves. However, a banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt, or to protect the bank's interest on loans/investments made to a company.

Bids by Self-Certified Syndicate Banks ("SCSBs")

SCSBs participating in the Offer are required to comply with the terms of the SEBI ICDR Master Circular, issued by SEBI. Such SCSBs are required to ensure that for making 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 application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Eligible Employees

The Bid must be for a minimum of 100,000 Equity Shares of face value of ₹1 each, and in multiples of [●] Equity Shares of face value of ₹1 each, thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 (net of Employee Discount, if any). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price provided that the Bid does not exceed ₹ 500,000 (net of Employee Discount, if any).

However, Allotments to Eligible Employees in excess of ₹ 200,000 (net of Employee Discount, if any) shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any) (which will be less Employee Discount, if any). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour form).
- b) The Bidder should be an Eligible Employee as defined. In case of joint bids, the first Bidder shall be an Eligible Employee.
- c) Only Eligible Employees would be eligible to apply in the Offer under the Employee Reservation Portion.
- d) Only those Bids, which are received at or above the Offer Price, net of Employee Discount, if any, if any would be considered for Allotment under this category.
- e) Eligible Employees can apply at Cut-off Price.
- f) If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of ₹1 each, at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- g) Eligible Employees bidding in the Employee Reservation Portion can also Bid through the UPI mechanism.
- h) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids, subject to applicable limits. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- i) Under-subscription, if any, in the Employee Reservation Portion will be added to the Net Offer.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion. If the aggregate demand in this category is greater than 100,000 Equity Shares of face value of ₹1 each, at or above the Offer Price, the allocation shall be made on a proportionate basis. Please note that any individuals who are directors, employees or promoters of (a) the BRLMs, Registrar to the Offer, or the Syndicate Members, or of the (b) 'associate companies' (as defined in the Companies Act, 2013, as amended) and 'group companies' of such BRLMs, Registrar to the Offer or Syndicate Members are not eligible to bid in the Employee Reservation Portion.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, read with the Investments – Master Circular dated October 27, 2022, each as amended, are broadly set forth below:

- (a) equity shares of a company: the lower of 10%* of the outstanding equity shares (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 or health insurer;
- (b) 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 health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer 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 (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250,000,000, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, systematically important non-banking finance company ("NBFC-SI"), insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250,000,000 (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250,000,000, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, 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 reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs, in their absolute discretion, reserve 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, in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below:

- (a) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100,000,000. 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 ₹100,000,000.
- (c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and will be completed on the same day.
- (e) Our Company may finalise allocation to the Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLMs, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100,000,000;
 - (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100,000,000 but up to ₹ 2,500,000,000, subject to a minimum Allotment of ₹ 50,000,000 per Anchor Investor; and

- (iii) in case of allocation above ₹ 2,500,000,000 under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500,000,000, and an additional 10 Anchor Investors for every additional ₹ 2,500,000,000, subject to minimum Allotment of ₹ 50,000,000 per Anchor Investor.
- (f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer 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 BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
- (g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.
- (i) 50% of the Equity Shares Allotted to the Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and 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.
- (j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Offer under the Anchor Investor Portion. See ***“– Participation by the Promoters and Promoter Group of our Company, BRLMs, the Syndicate Members and their associates and affiliates and the persons related thereto”*** on page 524.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the NBFC-SI, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC-SI shall be as prescribed by RBI from time to time.

For more information, please read the General Information Document.

The above information is given for the benefit of the Bidders. Bidders are advised to make their independent investigations and ensure that any single Bid from it does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by it under applicable law or regulation or as specified in this Red Herring Prospectus and the Prospectus.

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he/she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders

and/or the Book Running Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs, Eligible Employees Bidding under the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

Do's:

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e., bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form and if you are a UPI Bidder ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time;
7. UPI Bidders Bidding using the UPI Mechanism in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
9. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 pm on the Bid/Offer Closing Date;
10. Ensure that the signature of the first bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI,

may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, 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 beneficial 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;

15. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
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 in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
20. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
21. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and the PAN entered into the online initial public offerings (“IPO”) system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI mechanism) and PAN available in the Depository database;
22. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
23. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form or have otherwise provided an authorisation to the SCSB or the Sponsor Banks, as applicable, 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. In case of UPI Bidder Bidding through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
24. Ensure that the Demographic Details are updated, true and correct in all respects;
25. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
26. The ASBA Bidders shall ensure that bids above ₹ 5,00,000, are uploaded only by the SCSBs;

27. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders, once the Sponsor Banks issues the Mandate Request, the UPI Bidders would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request to authorise the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
28. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the UPI Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;
29. UPI Bidders bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first bidder (in case of joint account) in the Bid cum Application Form;
30. UPI Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.
31. Bids by Eligible NRIs HUFs and any individuals, corporate bodies and family offices which are recategorized as Category II FPI and registered with SEBI for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Portion for allocation in the Offer; and
32. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned on the list available on the website of SEBI and updated from time to time and at such other websites as may be prescribed by SEBI from time to time is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
3. Do not Bid for a Bid Amount exceeding ₹ 200,000 for Bids by Retail Individual Investors and ₹ 500,000 for Bids by UPI Bidders and Eligible Employees Bidding in the Employee Reservation Portion;
4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
5. Do not Bid/revise the Bid amount to less than the floor price or higher than the cap price;
6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA Account;

11. 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 Bidder;
12. 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;
13. 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);
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer 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 this Red Herring Prospectus;
15. Do not Bid for Equity Shares more than specified by the respective Stock Exchanges for each category;
16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;
17. If you are UPI Bidder and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
18. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;
19. Anchor Investors should not bid through the ASBA process;
20. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;
21. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
22. Do not submit the GIR number instead of the PAN;
23. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;
24. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
25. If you are a QIB, do not submit your Bid after 3:00 p.m. on the QIB Bid/Offer Closing Date (for online applications) and after 12:00 p.m. on the QIB Bid/ Offer Closing Date (for physical applications);
26. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors, Eligible Employees bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
27. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;
29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;
30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
31. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a banks which is not mentioned in the list provided in the SEBI website is liable to be rejected;

32. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;
33. Do not Bid if you are an OCB; and
34. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Member shall ensure that they do not upload any bids above ₹ 5,00,000.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

For helpline details of the BRLMs pursuant to the SEBI ICDR Master Circular, see “*General Information – Book Running Lead Managers*” on page 116.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Chief Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information – Company Secretary and Compliance Officer*” on page 115.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in the SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Net Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the RIIs, non-institutional investors (“**NIIs**”) and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each RII shall not be less than the minimum bid lot, subject to the availability of shares in RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. The allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in Schedule XIII to the SEBI ICDR Regulations.

Payment into Anchor Investor Escrow Account

Our Company in consultation with the BRLMs 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. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, real time gross settlement (“**RTGS**”), national automated clearing house (“**NACH**”) or national electronic fund transfer (“**NEFT**”) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “*Ather Energy Limited – Anchor R Account*”
- (b) In case of Non-Resident Anchor Investors: “*Ather Energy Limited – Anchor NR Account*”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer and Price Band Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a pre-Offer and price band advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all Bengaluru editions of Vishwavani (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered Office is located).

In the pre-Offer and price band advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. 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 ICDR Regulations.

The information set out above is given for the benefit of the Bidders/applicants. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

In accordance with RBI regulations, Overseas Corporate Body (“OCB”) cannot participate in the Offer.

Allotment Advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, before 9:00 p.m. IST, on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the Equity Shares are proposed to be listed, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from all the Stock Exchanges is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, the BRLMs and the Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement not later than one Working Day after the commencement of trading, disclosing the date of commencement of trading in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and all Bengaluru editions of Vishwavani (a widely circulated Kannada daily newspaper, Kannada being the regional language of Karnataka, where our Registered Office is located).

Signing of the Underwriting Agreement and Filing with the RoC

- a) Our Company, each of the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus.
- b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

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.”

The liability prescribed under Section 447 of the Companies Act, 2013, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our 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 ₹ 1 million or one per cent of the turnover of our 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 ₹5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within such other time period as may be prescribed by the SEBI or applicable law will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- where release of block on the applicable amount for unsuccessful Bidders or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the applicants;
- adequate arrangements shall be made to collect ASBA applications;
- that if our Company or the Selling Shareholders do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given by our Company as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer and price band advertisement was published. The Stock Exchanges shall be informed promptly;
- that if our Company and/or the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company or the Selling Shareholders subsequently decide to proceed with the Offer;
- no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Selling Shareholders

Each of the Selling Shareholder, severally and not jointly, specifically undertakes and/or confirms the following in respect to itself as a Selling Shareholder and its respective portion of the Offered Shares:

- it is the legal and beneficial owner of its respective portion of the Offered Shares;
- it shall transfer its respective portion of the Offered Shares in an escrow demat account in accordance with the Share Escrow Agreement; and
- it shall not have access to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from the Stock Exchanges in accordance with applicable law.

Utilisation of proceeds from the Offer

Our Board certifies that:

- (i) all monies received out of the Offer 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;
- (ii) details of all monies utilised out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- (iii) details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GOI and 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. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “**FDI Policy**”), which consolidates and supersedes all previous press note, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

In terms of Press Note 3 of 2020, dated April 17, 2020 (“**Press Note**”), issued by the DPIIT, the FDI Policy and the FEMA Non-Debt Instruments Rules have been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/ Offer Period.

In accordance with the FEMA Non-Debt Instruments Rules and the FDI Policy read with the Press Note, 100% foreign direct investment is permitted under the automatic route for companies in the “manufacturing” sector. Further, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “**Offer Procedure – Bids by Eligible Non-resident Indians**” and “**Offer Procedure – Bids by Foreign Portfolio Investors**” on page 526.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs”) pursuant to Section 4(a) of the U.S. Securities Act, or (ii) outside the United States in “offshore transactions” as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII –PROVISIONS OF THE ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ATHER ENERGY LIMITED

(Incorporated under the Companies Act, 1956)

The Articles of Association of Ather Energy Limited (“**Company**”), which have been adopted by our Board of Directors pursuant to a resolution dated September 4, 2024 and approved by the Shareholders pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution dated September 5, 2024, comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of listing of the Equity Shares of the Company on the Stock Exchanges (“**IPO Date**”). In the event of any inconsistencies between Part A and Part B, the provisions of Part B shall prevail and be applicable until the IPO Date. All articles of Part B shall automatically terminate and shall cease to have any force and effect on and from the IPO Date and the articles of Part A shall continue to be in effect and be in force, without any further corporate action by the Company or by the Shareholders.

APPLICABILITY OF TABLE F

Subject as hereinafter provided and in so far as these presents do not modify or exclude them the regulations contained in Table ‘F’ of Schedule I of the Companies Act, 2013, as amended from time to time, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

Interpretation

1. In these regulations-
 - (a) “**the Act**” means the Companies Act, 2013, including the rules and regulations framed thereunder, from time to time, and includes any statutory modification(s) or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;
 - (b) “**the seal**” means the common seal of the company.
 - (c) “**Company**” means Ather Energy Limited.
 - (d) “**Debenture**” includes debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not.
 - (e) “**Shares**” means the shares of the Company issued from time to time and carrying the rights as set out in these Articles including preference shares and the Equity Shares.
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

The Company is a public company within the meaning of the Act.

Share capital and variation of rights

1. The authorized Share Capital of the Company shall be as per Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in

accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.

2. 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.
3. (i) Every person whose name is entered as a member in the register of members, subject to the Act and other applicable laws, 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, -
 - i. one or more certificates for all his shares in marketable lots for all the Shares of each class or denomination registered in his name, without payment of any charges; or
 - ii. several certificates, if the Board so approves (upon paying such fee as the Board so determines, subject to a maximum of twenty rupees), each for one (1) or more of such Shares, and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be.

Provided that this shall be signed by two Directors or one Director and the company secretary and shall be in such form as prescribed under sub-section (3) of section 46 of the Act.
- (ii) 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.
4. (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, or in case of sub-division or consolidation of Shares, 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 the execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.
- (ii) The provisions of this Article shall *mutatis mutandis* apply to debentures of the Company.
5. 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.
6. (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 the 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 one way and partly in the other.
- 7. (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 as per the applicable provisions of the Act.
- 8. 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.
- 9. Subject to the provisions of section 55 of the Act and rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, any preference shares may be issued on the terms that they are to be redeemed on such terms and in such manner as the Company may determine before the issue of the shares, by way of a special resolution.
- 10. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a special resolution and subject to the provisions of the Act.

Further Issue of Shares

- 11. (1) Where at any time, it is proposed to increase the subscribed Share Capital of the Company by the issue of further Shares, such Shares shall be offered,
 - (a) to the persons who, on the date specified under applicable law, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:
 - (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - (ii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) hereof shall contain a statement of this right;
 - (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to shareholders and the Company.
 - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by the shareholders of the Company and subject to such conditions as prescribed in the Act; or

- (c) A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with Section 42 & Section 62 the Companies Act, 2013 and the Rules. .
- (2) The notice referred to in sub-clause (i) of clause (a) of sub-clause (1) shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing Shareholders at least 3 (three) days before the opening of the issue or such other period prescribed under applicable law.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company.

Provided that the terms of issue of such debentures or the terms of such loans containing such option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.

- (4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

- (5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.
- (6) Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

Dematerialization Of Shares

- 12. The Company shall be entitled to treat the person whose name appears on the register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of the Act.

Provided however that provisions of the Act or these Articles relating to distinctive numbering shall not apply to the Shares of our Company, which have been dematerialized.

- 13. Notwithstanding anything contained herein, our Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. The Company shall be further entitled to maintain a register of Members with the details of Members holding Shares both in material and dematerialized form in any medium as permitted by Law including any form of electronic medium.

14. Every person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a person who is the beneficial owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and our Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares.
15. If a person opts to hold his Shares with a depository, our Company shall intimate such Depository the details of allotment of the Shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Shares.
16. All Shares held by a depository shall be dematerialized and shall be in a fungible form.
 - (a) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Shares on behalf of the beneficial owner.
 - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the Shares shall not have any voting rights or any other rights in respect of Shares held by it.
17. Every person holding Shares of our Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of our Company. The beneficial owner of the Shares shall be entitled to all the liabilities in respect of his Shares which are held by a Depository.
18. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by law from time to time.
19. In the case of transfer of Shares or other marketable Securities where our Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

Lien

20. (i) The Company shall have a first and paramount lien—
 - (a) on every share (not being a fully paid share or debentures), registered in the name of each Member or holder, respectively (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share or debenture; and
 - (b) on all shares or debentures (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: and no equitable interest in any Share or debenture shall be created except upon the footing and condition that this Article will have full effect.

Provided that fully paid up shares shall be free from all liens and in respect of any partly paid shares/ debentures of the Company, the lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debentures.

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 Article.
- (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.
21. Subject to provision of the Act, 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—

- i. unless a sum in respect of which the lien exists is presently payable; or
 - ii. until the expiration of fourteen (14) 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 or otherwise.
22. (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.
23. (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.
24. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

Calls on shares

25. (i) Subject to the provision of the Act, the Board may, from time to time, make calls as it thinks fit upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or byway 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.
- (iv) The Board may, from time to time, at its discretion, extend the time fixed (in compliance with the Act) for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.
26. The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined 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 installments.
27. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
28. (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 from time to time.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
29. (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.

30. The Board—

- i. may, subject to the provisions of section 50 of the Act, if it thinks fit, agree to and 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
- ii. 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.

Provided that the amount paid in advance of calls on any share may carry interest but shall not confer a right to dividend or to participate in profits.

The Member shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the Company.

Transfer of shares

- 31. (a) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
- (b) 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.
- (c) The Company shall use a common form of transfer.
- (d) The instrument of transfer shall be in writing and all the provisions of section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.
- (e) The Board may, subject to the right of appeal conferred by section 58 of the Act decline to register—
 - i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
 - ii. any transfer of shares on which the Company has a lien.

- 32. Subject to the provisions of the Act, these Articles and any other applicable Law for the time being in force, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of Shares, not being a fully paid share, to a person of whom they do not approve, and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within 30 (thirty) days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration or transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused.

Subject to the provisions of the Act, these Articles and any other applicable Law for the time being in force, the Board may decline to recognize any instrument of transfer unless—

- i. the instrument of transfer is in the form as prescribed in rules made under sub-section (I) of section 56 of the Act;
- ii. 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
- iii. the instrument of transfer is in respect of only one class of shares.

Provided that where the securities are dealt with in a depository, the Company shall intimate the details of allotment of securities to depository immediately on allotment of such securities.

- 33. Where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.
- 34. On giving not less than seven days' prior notice in accordance with section 91 of the Act and rules made there under or such other period as required under applicable law, 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.

- 35. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Transmission of shares

- 36. (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.
- 37. (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 -
 - i. to be registered himself as holder of the share; or
 - ii. 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.
- 38. (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.
- 39. 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.

40. The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

Forfeiture of shares

41. If a member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all the expenses that may have been incurred by the Company by reason of non-payment.
42. The notice aforesaid shall -
- i. 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
 - ii. 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.
43. 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.
44. (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.
45. (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. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment of realization.
- (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.
46. (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 there upon 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.

47. The provisions of these regulations as to forfeiture shall apply in the case of non payment 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.
48. The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

Alteration of capital

49. 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.
50. Subject to the provisions of section 61 of the Act, the Company may, by ordinary resolution, -
- (a) increase its authorized share capital by such amount as it thinks expedient;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (e) 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.
51. Where shares are converted into stock, -
- i. 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.
 - ii. 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.
 - iii. 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.
52. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law, -
- i. its share capital;
 - ii. any capital redemption reserve account; or
 - iii. any share premium account.

Capitalisation of profits

53. (i) The Company in general meeting may, upon the recommendation of the Board, resolve:

- i. that it is desirable to capitalize 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
 - ii. 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 the way 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.
- 54. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
 - i. make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and
 - ii. 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 capitalization, 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 capitalized, 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

- 55. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

Borrowing Powers

- 56. Subject to the provision of section 180 (1) (c) of the Act and these Articles and without prejudice to the other powers conferred by these Articles, the Directors shall have the power from time to time at their discretion, by a resolution passed at a meeting of the Board and not by circular resolution, to borrow monies provided that the total amount borrowed at any time 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) shall not, without the consent of the Company in the General Meeting, exceed the aggregate of the paid-up capital of the Company and its free reserves and securities premium account, that is to say, reserves not set apart for any specific purpose. Such consent shall be obtained by a special resolution which shall provide for the total amount up to which monies may be borrowed by the Board. The expression "temporary loans" in this Article means loans repayable on demand or within six (6) months from the date of the loan such as short term loans, cash credit arrangements, the discounting of bills and the issue of other short-term loans of seasonable character but does not include loans raised for the purpose of financing expenditure of a capital nature.

57. Subject to the provisions of the Act and these Articles, the Directors may by a resolution passed at a meeting of the Board and not by circular resolution, secure the payment of such sum or sums in such manner and upon such issue of bonds, perpetual or redeemable debentures or debenture stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property, undertaking of the Company (both present and future). Provided that consent of the Members by way of special resolution would be necessary for security to be created on whole or substantially whole of the undertaking.
58. Any bonds, Debentures, debenture-stock or other Securities issued or to be issued by the Company, shall be under the control of the Directors, who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.
59. Debentures, debenture-stock, bonds or other Securities may be made assignable, free from any equities between the Company and the person to whom the same may be issued.
60. Subject to the provisions of the Act and these Articles, any bond, Debentures, debenture - stock or other Securities, may be issued at par, premium or otherwise and with any special rights, privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at a General Meeting, appointment of Directors or otherwise. Provided that the Debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in a General meeting by a special resolution.
61. The Board shall cause a proper Register to be kept in accordance with the provisions of the Act, of all mortgages, Debentures and charges specifically affecting the property of the Company including all floating charges on current assets of the Company and fixed charges on the undertaking or any property of the Company, and shall cause the requirements of the Act in relation to charges be duly complied with.

General meetings

62. All general meetings other than annual general meeting shall be called extraordinary general meetings in accordance with the Act.
63.
 - (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, subject to applicable law.
 - (iii) Subject to section 101 of Act, a general meeting may be called by giving to the members a clear twenty one (21) days' notice either in writing or through electronic mode to all members, directors and the auditor(s) of the Company, specifying the place, date, day and the hour of the meeting, with a statement of the business to be transacted at the meeting.

Provided that a General Meeting may be called after giving a shorter notice if consent, in writing or by electronic mode is accorded thereto in accordance with the Act and other applicable law.

Proceedings at general meetings

64.
 - (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 of the Act or other requirements under applicable law.
 - (iii) In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of section 103 of the Act, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other date and such other time and place as the Board may determine, provided that the agenda for such adjourned general meeting shall remain the same. The said general meeting if called by requisitionists under section 100 of the Act shall stand cancelled.
65. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
66. 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.
67. 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

68. (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

69. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- i. on a show of hands, every member holding Equity Shares and present in person shall have one vote; and
 - ii. on a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid-up equity share capital of the Company.
70. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
71. (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.
72. 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.
73. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
74. 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.

75. (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

76. 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.
77. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
78. 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

79. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen). The Company may appoint more than 15 (fifteen) directors after passing a special resolution.
80. The following shall be the first directors of the Company:
 1. Tarun Sanjay Mehta
 2. Swapnil Babanlal Jain
81. (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, fees and/or commission payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-
 - i. in attending and returning from meetings of the Board of Directors or any committee thereof or General meetings of the Company; or
 - ii. in connection with the business of the Company. The Board may pay all expenses incurred in setting up and registering the Company.
82. The Directors shall not be required to hold any qualification shares.
83. The Company may exercise the powers conferred on it by section 88 of the Act 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.
84. 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.

85. 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.
86. (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

87. (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.
88. (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.
89. 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.
90. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. The managing director or chief executive officer (if the chief executive officer is also an executive director) of the Company may be the chairperson.
- (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 member to be Chairperson of the meeting.
91. (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.
92. (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.
93. (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.
94. 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.

95. 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

96. 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.
97. 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

98. (i) The Board shall provide for the safe custody of the seal and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.
- (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

99. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
100. Subject to the provisions of section 123 of the Act, 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.
101. (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, think 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.
102. Subject to the rights of persons, if any,
- (i) 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.
 - (ii) All dividends shall be declared and paid according to the amounts paid or credited as 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 shares.
 - (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.

103. 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.
104. (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 or in any other mode permitted under applicable law.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
105. 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.
106. 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.
107. No dividend shall bear interest against the Company.
108. Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.
109. Any money transferred to the 'Unpaid Dividend Account' of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with the interest accrued, if any, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law. All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

Accounts

110. (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 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 authorized by the Board or by the Company in general meeting.

Winding up

111. Subject to 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.

- (iv) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

Indemnity

112. 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.
113. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Secrecy Clause

114. No Member shall be entitled to inspect the Company's works without the permission of the Managing Director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

General Authority

115. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided.
116. At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**Listing Regulations**") and the Act, as amended, or any other applicable laws ("**Laws**"), the provisions of the Listing Regulations, the Act and the Laws shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations, the Act and the Laws, from time to time

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and 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 are or may be deemed material will be attached to the copy of this Red Herring Prospectus and filed with the RoC. Copies of the contracts and documents for inspection referred to hereunder, may be inspected at our Registered Office and our Corporate Office, from 10.00 am to 5.00 pm on all Working Days and will also be available on the website of our Company at <https://www.atherenergy.com/investor-relations/offer-documents>, from the date of this Red Herring Prospectus until the Bid/Offer Closing Date, except for such contracts and documents that will be entered into or executed subsequent to the completion of the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this 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 Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts to the Offer

1. Offer Agreement dated September 9, 2024, entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated September 6, 2024, entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Monitoring Agency Agreement dated March 17, 2025 read with amendment agreement dated April 4, 2025 entered into between our Company and the Monitoring Agency.
4. Cash Escrow and Sponsor Bank Agreement dated April 22, 2025 entered into among our Company, the Selling Shareholders, the Members of the Syndicate, Banker(s) to the Offer and the Registrar to the Offer.
5. Share Escrow Agreement dated April 5, 2025 entered into among our Company, Selling Shareholders and the Share Escrow Agent.
6. Syndicate Agreement dated April 22, 2025 entered into among our Company, the Members of the Syndicate, the Selling Shareholders and the Registrar to the Offer.
7. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.
2. Certificate of incorporation dated October 21, 2013, in the name of '*Ather Energy Private Limited*' and a fresh certificate of incorporation dated August 27, 2024 upon conversion into a public limited company and change in name of our Company to '*Ather Energy Limited*'.
3. Resolution of our Board dated August 27, 2024, approving the Offer and other related matters.
4. Shareholders' resolution dated September 5, 2024, approving the Fresh Issue and other related matters.
5. Resolution of our Board dated September 6, 2024, approving the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.
6. Resolution of the IPO Committee dated September 9, 2024, approving the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.
7. Resolution of our Board dated April 22, 2025, approving this Red Herring Prospectus for filing with SEBI and the Stock Exchanges.
8. Resolution of our Board of Directors dated April 4, 2025, taking on record the approval for the Offer for

Sale by the Selling Shareholders.

9. Consent letters from the Selling Shareholders consenting to participate in the Offer for Sale.
10. Copies of the annual reports of our Company for the Fiscals 2024, 2023 and 2022.
11. The examination report dated February 3, 2025 of the Statutory Auditors on our Restated Financial Information.
12. The report dated April 2, 2025, on the statement of special tax benefits available to the Company and its shareholders under the applicable laws in India from the Statutory Auditors.
13. Consent dated April 22, 2025, from Deloitte Haskins & Sells, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations, in this Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated February 3, 2025 on our Restated Financial Information; and (ii) their report dated April 2, 2025 on the statement of possible special tax benefits included in this Red Herring Prospectus. However, the term “expert” and “consent” does not represent an “expert” or “consent” within the meaning under the U.S. Securities Act
14. Consent dated April 22, 2025 from Manian & Rao, Chartered Accountants, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations in this Red Herring Prospectus, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the various certifications issued by them in their capacity as an independent chartered accountant to our Company.
15. Certificate dated April 22, 2025, from Manian & Rao, Chartered Accountants, certifying the KPIs of our Company.
16. Certificate on weighted average cost of acquisition issued by Manian & Rao, Chartered Accountants dated April 22, 2025.
17. Certificate on basis for offer price issued by Manian & Rao, Chartered Accountants dated April 22, 2025.
18. Certificate on ESOPs issued by Manian & Rao, Chartered Accountants dated April 22, 2025.
19. Certificate on financial indebtedness issued by Manian & Rao, Chartered Accountants dated April 22, 2025.
20. Certificate on outstanding dues to material creditors issued by Manian & Rao, Chartered Accountants dated April 22, 2025.
21. Consent dated September 5, 2024 from M/s. RBSA Advisors LLP, to include their name as an “expert” as defined under Sections 2(38) and 26(5) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered engineer and in respect of the certificate issued by them.
22. Consent dated March 11, 2025 from LexOrbis Intellectual Property Attorneys & Advocates, as intellectual property consultant to include its name as required under Section 26(5) of the Companies Act, 2013 in this Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013.
23. Consents of our Promoters, Directors, Bankers to our Company, the BRLMs, the Syndicate Members, Registrar to the Offer, Banker(s) to the Offer, legal counsel to our Company, Monitoring Agency, Company Secretary and Compliance Officer of our Company, as referred to act, in their respective capacities.
24. Consent letter dated March 11, 2025 from CRISIL to rely on and reproduce part or whole of the Industry report titled “*Assessment of Electric Two-wheeler Industry in India*” dated March, 2025, and include their name in this Red Herring Prospectus.
25. Industry report titled “*Assessment of Electric Two-wheeler Industry in India*” dated March, 2025,

prepared and issued by CRISIL, commissioned and paid for by our Company and pursuant to an engagement letters dated May 7, 2024, and January 17, 2025.

26. Consent dated March 9, 2025 of D&B in respect of the 'Project Cost Vetting Report' dated March 9, 2025.
27. Report titled 'Project Cost Vetting Report' dated March 9, 2025 issued by D&B.
28. Employment agreements each dated August 8, 2023 in relation to terms of appointment of Tarun Sanjay Mehta and Swapnil Babanlal Jain.
29. Amended and Restated Shareholders' Agreement dated July 30, 2024 entered into among our Company, Tarun Sanjay Mehta, Swapnil Babanlal Jain, Mehta Family Trust, Tarun Swarna Family Trust, Jain Family Trust, Swapnil Jain Family Trust, Internet Fund III Pte. Ltd., HMCL, Caladium Investment Pte Ltd, 3State Ventures Pte. Ltd., IITMS Rural Technology and Business Incubator, NK Squared, Kamath Associates, National Investment and Infrastructure Fund II (*represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited*), India-Japan Fund (*represented by and acting through its investment manager, National Investment and Infrastructure Fund Limited*), Venkatachary Srinivasan, IITM Incubation Cell, Arun Vinayak, Achal Kothari, Asha Krishnakumar, R. Mahadevan, Abhishek Venkataraman, Gurusankar Sankararaman, Jayaprakash Vijayan, Volpi Cupal Trust, Sagar Meher Pushpala, InnoVen Capital India Fund, Herald Square Ventures, Guerilla Ventures Private Limited, Amit Bhatia, Karandeep Singh and Amod Malviya.
30. SHA Amendment cum Waiver Agreement dated September 5, 2024 to the SHA.
31. Collaboration agreement dated November 23, 2023 entered into between our Company and HMCL.
32. Statutory Auditor's report dated March 11, 2025 certifying the utilisation of loans for the purpose availed.
33. Statutory Auditor's report dated April 2, 2025, in relation to the sources of funds and the deployment of such funds.
34. Certificate issued by BMP and Co., LLP, company secretaries, on securities issued and ESOP compliances dated April 22, 2025.
35. Due diligence certificate to SEBI from the Book Running Lead Managers dated September 9, 2024.
36. In-principle listing approvals, each dated October 31, 2024 from the BSE and the NSE.
37. Tripartite agreement dated June 13, 2024, among our Company, NSDL and the Registrar to the Offer.
38. Tripartite agreement dated June 13, 2024, among our Company, CDSL and the Registrar to the Offer.
39. Offer letter dated June 20, 2024 from Government of Maharashtra, Industries, Energy, Labour and Mining Department for setting up of Factory 3.0.
40. Allotment letter dated July 11, 2024 from MITL.
41. Sub-lease deed dated August 1, 2024 entered into by our Company with MITL.
42. Possession letter dated August 1, 2024 from MITL.
43. SEBI final observation letter bearing number SEBI/CFD/RAC-DIL1/2024/39535 dated December 23, 2024.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Tarun Sanjay Mehta

Designation: Executive Director and Chief Executive Officer

Date: April 22, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Swapnil Babanlal Jain

Designation: Executive Director and Chief Technical Officer

Date: April 22, 2025

Place: Bangalore

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Niranjan Kumar Gupta

Designation: Non-executive Director

Date: April 22, 2025

Place: Gurgaon

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Nilesh Shrivastava

Designation: Nominee Director

Date: April 22, 2025

Place: Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Pankaj Sood

Designation: Nominee Director

Date: April 22, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ram Kuppuswamy

Designation: Non-executive Director

Date: April 22, 2025

Place: Gurgaon

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Kaushik Dutta

Designation: Independent Director

Date: April 22, 2025

Place: Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Neelam Dhawan

Designation: Independent Director

Date: April 22, 2025

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sanjay Nayak

Designation: Independent Director

Date: April 22, 2025

Place: Bangalore

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013, and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations and guidelines issued by SEBI 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 statements, disclosures and undertakings made in this Red Herring Prospectus are contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 each as amended, or the rules, regulations and guidelines issued thereunder, as the case may be. I further certify that all the statements, disclosures and undertakings in this Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sohil Dilipkumar Parekh

Date: April 22, 2025

Place: Mumbai

DECLARATION

I, Amit Bhatia, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Red Herring Prospectus about and in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Amit Bhatia

Date: April 22, 2025

Place: Gurgaon

DECLARATION

I, Swapnil Babanlal Jain, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Red Herring Prospectus about and in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Swapnil Babanlal Jain

Date: April 22, 2025

Place: Bangalore

DECLARATION

I, Tarun Sanjay Mehta, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Red Herring Prospectus about and in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Tarun Sanjay Mehta

Date: April 22, 2025

Place: Mumbai

DECLARATION

We, Caladium Investment Pte Ltd, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Red Herring Prospectus in relation to us, severally and not jointly, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Authorised Signatory

Signed for and on behalf of Caladium Investment Pte Ltd

Name: Lim Tze-Han, Mark

Date: April 22, 2025

Place: Singapore

DECLARATION

We, IITM Incubation Cell, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Red Herring Prospectus in relation to us, severally and not jointly, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Authorised Signatory

Signed for and on behalf of IITM Incubation Cell

Name: Dr. Tamaswati Ghosh, Chief Executive Officer

Date: April 22, 2025

Place: Chennai

DECLARATION

We, IITMS Rural Technology and Business Incubator, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Red Herring Prospectus in relation to us, severally and not jointly, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Authorised Signatory

Signed for and on behalf of IITMS Rural Technology and Business Incubator

Name: Dr. Tamaswati Ghosh, Chief Executive Officer

Date: April 22, 2025

Place: Chennai

DECLARATION

We, Internet Fund III Pte. Ltd., hereby confirm that all statements, disclosures and undertakings specifically made by us in this Red Herring Prospectus in relation to us, severally and not jointly, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Authorised Signatory

Signed for and on behalf of Internet Fund III Pte. Ltd.

Name: Anand Gopalakrishnan

Date: April 22, 2025

Place: Singapore

DECLARATION

We, National Investment and Infrastructure Fund II, hereby confirm that all statements, disclosures and undertakings specifically made by us in this Red Herring Prospectus in relation to us, severally and not jointly, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures and undertakings made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Authorised Signatory

Signed for and on behalf of National Investment and Infrastructure Fund II

Name: Rajiv Dhar, Chief Investment Officer

Date: April 22, 2025

Place: Mumbai