You May Rely Upon

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CHARTERED ENGINEERS
INDUSTRY CONSULTANTS

INDEPENDENT CHARTERED ENGINEER'S CERTIFICATE

To,
Happy Steels Limited
Kanganwal Road, Jaspal Banger
Ludhiana, Punjab- 141122, India
(The Company)

c.c.

M/s Share India Capital Services Private Limited
A-25, Sector-64, NOIDA,
Distt. Gautam Buddha Nagar,
Uttar Pradesh-201301
(The BRLM)

and

M/s Master Capital Services Limited
Master Chambers, S.C.O 19
Feroz Gandhi Market,
Ludhiana, 141001
(Co-BRLM)

Sub: Proposed initial public offering of equity shares ("Equity Shares") of Happy Steels Limited (the "Company" and such offer the "Offer")

Dear Sir/Madam,

I, the undersigned, confirm that I am duly registered as a **Chartered Engineer** with the **Institution of Engineers (India)** bearing registration number **M-1707846** (Certificate of registration enclosed herewith as Annexure I), and that I am authorized and competent to issue this certificate. Further, I confirm that the aforesaid registration is valid as on date hereof, and as such, I am duly qualified to issue this certification.

Pursuant to the engagement letter dated **19th November 2025**, I have been engaged by the Company to carry out an independent verification for certifying certain information identified in Annexure V hereto, to be included in the Materials (as defined below).

RAJUL GARG ★ M-1707846 ★ CHARTERED ENGINEER (MECH)

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Based on the information, explanations and representations provided to me by the Company along with the basis of working and assumptions followed, wherever applicable, examination and verification of the plant, physical inspection of the equipment and based on my verification of the relevant records and documents of the Company, I, hereby certify the following as true, fair, complete, accurate and not misleading:

Details of the Company's aggregate installed production capacities, and the capacity utilization of the Company's plant, during the relevant periods, are enclosed as Annexure V.

Description of the procedure pertaining to installed production capacity certificate issued to the Company enclosed as Annexure II hereto.

The information relating to the estimated annual installed Plant and the capacity utilization is based on a number of assumptions and estimates of the management, including expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from change in stock keeping units for a particular product, unscheduled breakdowns, as well as expected operational efficiencies. In particular, the following assumptions have been made in the calculation of the estimated annual installed capacities of the Company's units, and are certified by me:

- Past experience of the management to manufacture the products
- Available orders on hand for the products
- Raw material consumption and the availability of raw materials to estimate the production of each product

I further confirm that I am an independent person with no direct or indirect interest in the Company except for provision of professional services in the ordinary course of my profession. Further, I am not in any way connected with or related to the Company, its promoters, promoter group, its key managerial personnel, its directors, its group companies or directors of its group companies, the BRLM/ Co- BRLM or their affiliates.

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I hereby confirm that the information in this certificate and the annexures, including any extracts thereof, may be reproduced in the Red Herring Prospectus and Prospectus of the Company ("Prospectus") to be filed with the Registrar of Companies, ("RoC"), SEBI, the relevant stock exchange, as applicable or any other document(s) to be issued, published or filed in connection with the Offer (such materials, together with the Red Herring Prospectus and the Prospectus, the "Materials"). I agree to keep the information regarding the Offer strictly confidential.

I consent to be named as an "expert" as defined under the provisions of the Companies Act, 2013, as amended and the rules framed thereunder, in the Materials. Further, I confirm that I am not, and have not been, engaged or interested in the formation or promotion of the management of the Company. The following details with respect to me may be disclosed in the Materials:

Name	Rajul Garg
Address	55, Second Floor, Lane 2, Westend Marg, Saidullajab, Near Saket Metro Station, South Delhi, New Delhi- 110030
Telephone Number	+91 8439036575
Fax Number	N/A
E-mail	cerajulgarg@gmail.com, contact@garg-associates.com
Website	www.garg-associates.com
Membership No.	M-1707846

I confirm that the Book Running Lead Manager (BRLM)/ Co-BRLM and the legal counsels may rely on the contents of this certificate in connection with the Offer. Further, undertake to immediately inform the Company and the Lead Managers in writing of any changes or qualifications or any developments in respect of the matters covered in this certificate until the date when the Equity Shares issued pursuant to the Offer commence trading on the Stock Exchanges. In the absence of any such written communication from me/us, the above information contained in the Materials and certified herein should be taken as true, correct, accurate and updated until the date when the Equity Shares issued pursuant to the Offer commence trading on the Stock Exchanges.

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Further, I also give my consent to include this certificate as part of the 'Material Contracts and Documents for Inspection' in the Draft Offer Documents/ Offer Documents, thereby making it available to the public for inspection.

All capitalized terms not defined herein would have the same meaning as attributed to it in the Draft offer document.

Yours faithfully

Rajul Garg
Chartered Engineer (Mechanical Division)
Member of Institution of Engineers (India)
Reg. No.: M-1707846
Place: New Delhi
Date: June 17, 2026

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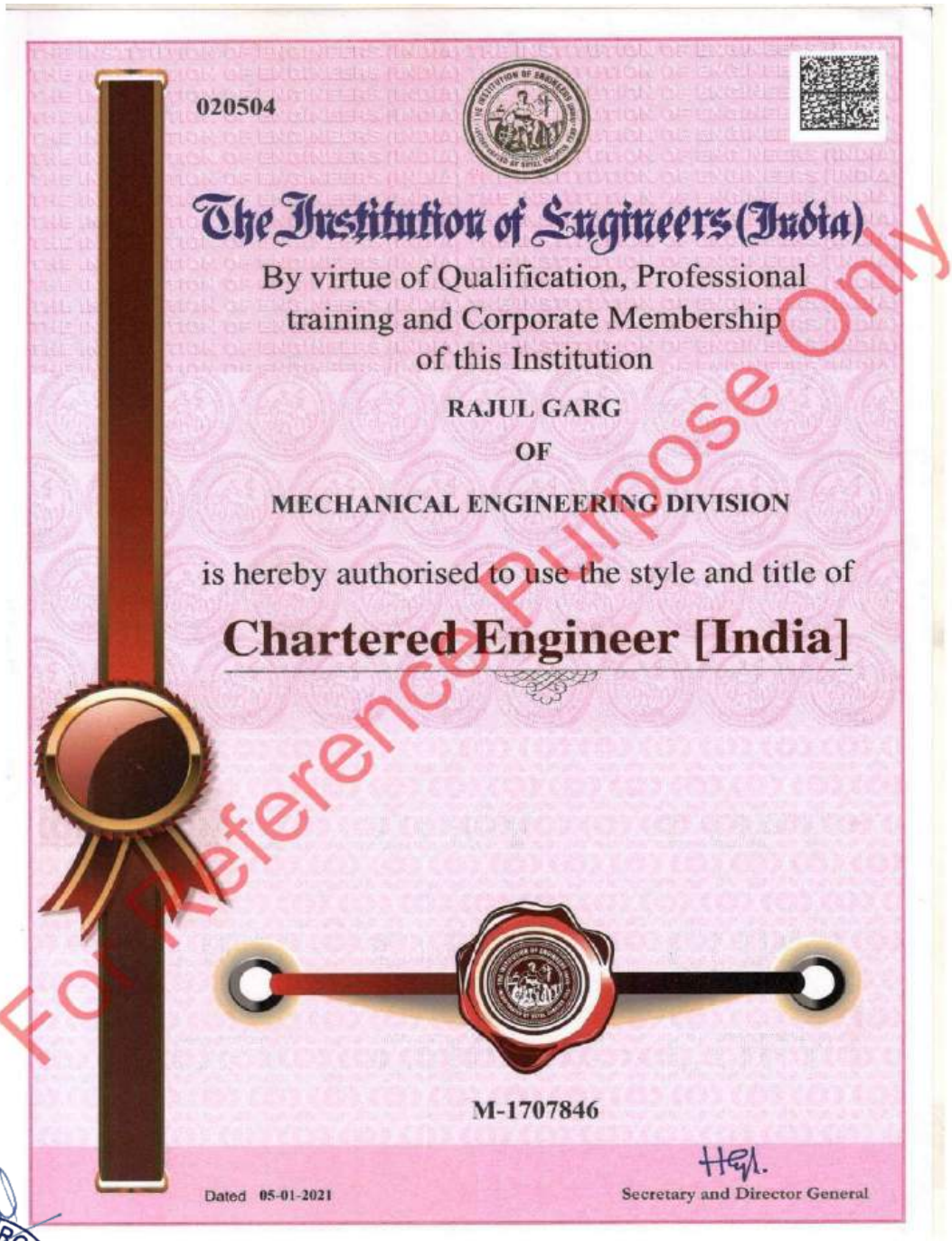
Annexure I



020504

The Institution of Engineers (India)

By virtue of Qualification, Professional training and Corporate Membership of this Institution

RAJUL GARG

OF

MECHANICAL ENGINEERING DIVISION

is hereby authorised to use the style and title of

Chartered Engineer [India]

M-1707846

Dated 05-01-2021

Secretary and Director General

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ANNEXURE II

Methodology Adopted to Assess the Plant Capacity & Utilization

A. Plant & Equipment

- Machine list (type, model, rated capacity, year, available hours per shift).
- Number of units of each machine.
- Preventive maintenance schedule and downtime logs.

B. Product Mix & Routings

- Bill of materials / routing for each product (time per operation, setups).
- Standard dimensions / sizes and batch sizes.

C. Shift Pattern & Labour

- Shifts/day, shift length, breaks, skill levels, operator counts.

D. Production Data

- Daily output by product (pieces/ MT/Sqm), rejects/rework, scrap.
- Start/stop times, downtime reasons and durations (planned/unplanned).
- Setups/changeover times and frequency.

E. Quality & yields

- Rework counts, percentage failing QC, repair times.

F. Support data

- Material availability/stockouts and lead times.
- Energy constraints, tool changeover, forklift availability.

ANNEXURE III

MANUFACTURING PROCESS OF HAPPY STEELS LIMITED

Manufacturing Process:

The company's manufacturing process follows controlled steps to ensure precise, strong, and consistent products:

Cutting (Raw material is cut into required sizes to facilitate further processing)

▼

End Bar Heating (Cut bars undergo precise, energy-efficient induction heating for forging and treatment, enhancing speed and die life)

▼

Forging (Heated material is forged to shape, boosting strength and structural integrity)

▼

Heat Treatment (Forged components are heat-treated to attain desired hardness, toughness, and properties)

▼

Shot Blasting (Shot blasting propels abrasives onto surfaces to clean, strengthen, and prepare them for better coating and durability)

▼

Centre & Rough Turning (Turning quickly removes material from a workpiece held between two centers)

▼

CNC Turning (Forged blanks are machined on turning equipment for precise dimensions and finish)

▼

Hobbing (Where required, spline or gear profiles are generated using hobbing

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machines)

▼

Surface Induction Hardening (Induction hardening rapidly hardens metal surfaces while keeping cores tough, ideal for durable components)

▼

Grinding (Precision grinding is performed to achieve tight tolerances and smooth surface finish)

▼

Drilling (Drilling operations are carried out as per design and customer specifications)

▼

Inspection (Each component undergoes dimensional and quality checks per customer and internal standards)

▼

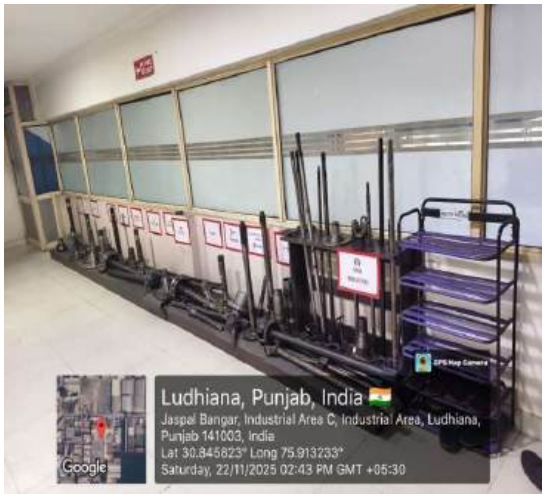
Deburring & Cleaning (Components are cleaned and excess material is removed to prepare them for finishing operations)

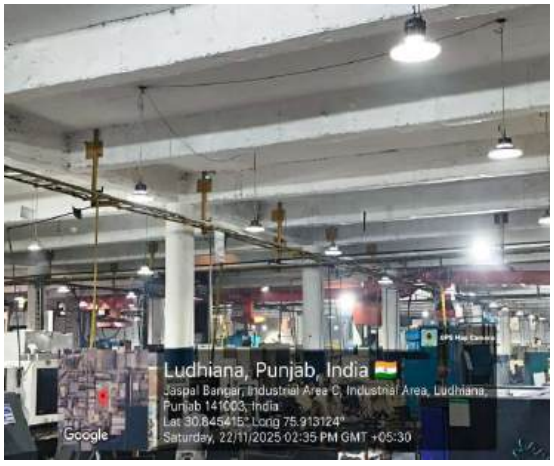
▼

Packing (Finished products are packed and prepared for dispatch to customers)

PLANT & MACHINERY PHOTOGRAPHS

ANNEXURE IV





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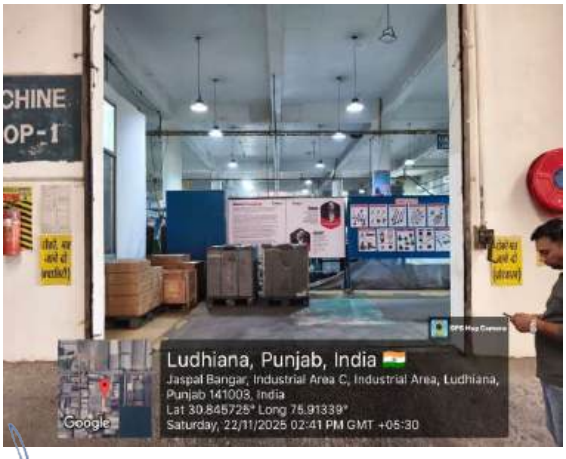

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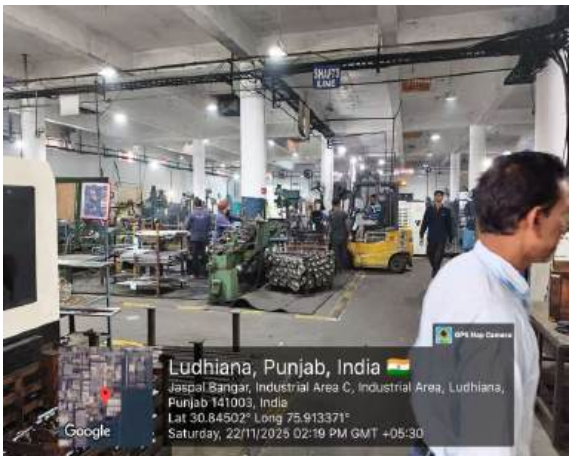

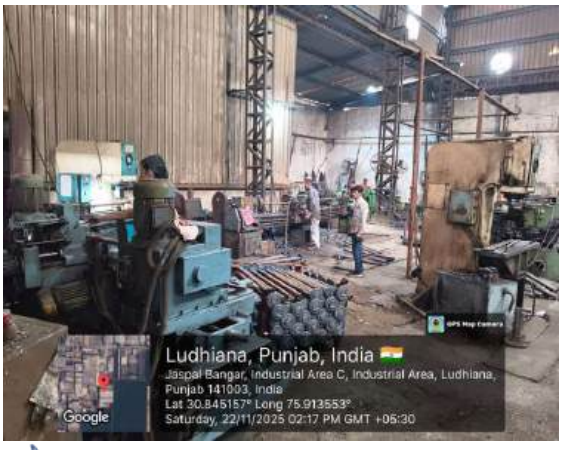

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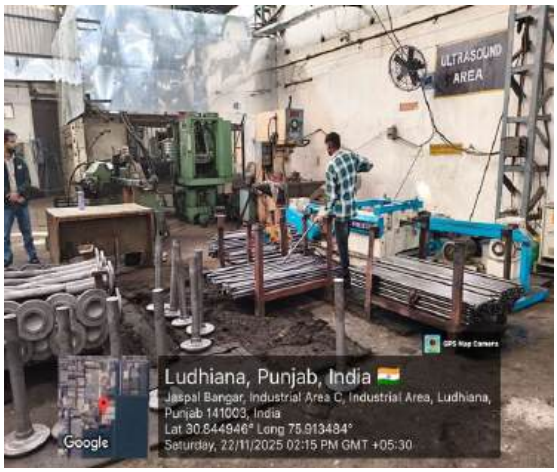

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ANNEXURE V

INSTALLED PRODUCTION CAPACITY AND CAPACITY UTILIZATION

HAPPY STEELS LIMITED

Kanganwal Road, Jaspal Bangar, Ludhiana- 141122, Punjab

The following table sets forth details of the Company's aggregate installed Sorting and packaging capacity and Capacity Utilization as on March 31, 2024, March 31, 2025 and March 31, 2026 respectively:

(……. in MT[*1])

S. No	Financial Year	Product Range	Production Process								
			Cutting			Forging			Machining		
			Installed Capacity[*2]	Capacity Utilized	% Utilization	Installed Capacity[*3]	Capacity Utilized	% Utilization	Installed Capacity[*4]	Capacity Utilized	% Utilization
1	2023-24	Flange Shafts/ Non-Flanged Shafts	7,200.00	5,262.82	***73.09***	7,776.00	4,534.30	***58.31***	4,492.80	3,440.81	***76.58***
2	2024-25		8,640.00	5,247.83	***60.74***	7,776.00	4,545.43	***58.45***	4,492.80	3,321.47	***73.93***
3	2025-26		8,640.00	7,023.33	***81.28***	7,776.00	6,268.33	***80.61***	5,861.21	4,597.13	***78.43***

[*1] MT refers to Metric Tons per Annum

[*2] Refer Table 1

[*3] Refer Table 3

[*4] Refer Table 4

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Note:

Happy Steels Limited manufactures a diverse range of axle shafts, including axle shafts for agricultural machinery (tractors), rear axle shafts for HCVs and LCVs, front axle yoke shafts, drive shafts, forged hollow spindles, spools, and similar components. Owing to the wide variety of dimensions, specifications, and design configurations, these products can broadly be classified into ***flanged shafts*** and ***non-flanged shafts***.

The manufacturing processes involved vary depending on the product category.

- ***Non-flanged shafts*** primarily undergo cutting and machining operations.
- ***Flanged shafts***, in addition to cutting and machining, also require forging, which introduces significant variation in processing time, equipment loading, and operational sequence.

Given the large number of permutations and combinations across product types, process routes, and machine-wise operations, it is not feasible to assess plant capacity using a single standardized engineering-based formula or a continuous production line analysis. The facility operates in a job-order, non-mechanized, and non-assembly-line environment, where machine utilization depends heavily on product mix, batch sizes, design variations, and customer-specific requirements.

Therefore, to derive a realistic and technically sound assessment of the plant's capacity and utilization, the Chartered Engineer has adopted the following methodological approach:

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1. **Product Categorization**

   The entire product range has been grouped into two major categories- ***flanged shafts*** and ***non-flanged shafts***. This rationalization ensures that the assessment accounts for the major differences in process sequences while avoiding unnecessary complexity arising from each individual product variant.

2. **Process Categorization**

   Although Happy Steels Limited carries out a wide range of manufacturing operations, the Chartered Engineer has identified bar ***cutting, forging and machining*** as the bottleneck processes, as these stages are the most capacity-intensive, sequential, and time-critical in the overall production flow. Bar cutting and forging are the primary forming operations that determine the availability of semi-finished components for all downstream processes; any constraint or downtime at this stage directly restricts the feed to subsequent heat treatment and finishing operations. Similarly, machining operations such as CNC turning, spline hobbing and grinding require high precision, longer cycle times, skilled manpower and limited machine availability, making them inherently capacity-constrained. In comparison, downstream processes like heat treatment, shot blasting, welding and marking are relatively flexible, batch-oriented and easier to scale or balance. Hence, limitations in ***cutting, forging and machining*** have a disproportionate impact on through output, justifying their identification as bottleneck operations affecting the company's overall production capacity. *The Process Flow Chart has also been enclosed with the certificate to facilitate better understanding for the reader*.

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3. **Work Study- Based Assessment**

Since the units do not operate a continuous or automated production line and the operations are largely discrete and job-based, the Chartered Engineer has undertaken a work study/time-study approach. This includes:

- Observation and recording of actual cycle times
- Assessment of machine capacities (rated vs. practical)
- Evaluation of manpower deployment, shift patterns, and operational efficiencies
- Identification of bottleneck processes
- Calculation of achievable output under normal operating conditions

4. **Machine-Centric Capacity Evaluation**

Capacity has been determined around the key machines that define throughput- cutting machines for raw material preparation, forging presses for flange formation, and CNC/VMC machines for final machining. This approach ensures that the plant's capacity reflects the actual productive capabilities of its critical process centres rather than theoretical installed capacities.

By following this structured methodology, the Chartered Engineer has ensured that the resulting plant capacity and utilization figures are accurate, practical, representative of real operating conditions, and aligned with the inherent characteristics of a job-order, multi-product manufacturing system. The assessment therefore provides a reliable basis for evaluating the facility's performance and its ability to meet current and future production demands.

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*2 Table 1: Installed Capacity Calculations- Cutting Process

(Average Weight x No of Machines x Processing Time per Annum)

S. No	Financial Year	Average Processing Weight (in MT) per Hour per Machine	No of Available Machines*6	Processing Time Per Day (Hrs)	Processing Time Per Annum (Days)	Installed Capacity (MT)
1	2022-23	0.300	04	16	300	5,760.00
2	2023-24	0.300	05	16	300	7,200.00
3	2024-25	0.300	06	16	300	8,640.00
4	2025-26**	0.300	06	16	300	8,640.00

*6*Refer Table 4*

***One Circular Saw was acquired by the company on 26 March 2026. As the machine was installed towards the end of FY 2025–26, it is unlikely to have made any significant contribution to the cutting process capacity during the said financial year.*

***Note**: The production is carried out in double shift i.e 08 Hrs x 02 shifts = 16 Hrs per day*

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*3 Table 2: Installed Capacity Calculations- Forging Process

(Average Weight x No of Machines x Processing Time per Annum)

S. No	Financial Year	Average Processing Weight (in MT) per Hour per Machine	No of Available Machines*7	Processing Time Per Day (Hrs)	Processing Time Per Annum (Days)	Installed Capacity (MT)
1	2022-23	0.405	04	16	300	7,776.00
2	2023-24	0.405	04	16	300	7,776.00
3	2024-25	0.405	04	16	300	7,776.00

4	2025-26**	0.405	04	16	300	7,776.00

[7]Refer Table 5

*** No additions other than some parts were observed*

Note: The production is carried out in double shift i.e 08 Hrs x 02 shifts = 16 Hrs per day

*[4] Table 3: Installed Capacity Calculations- Machining Process

(Average Weight x No of Machines x Processing Time per Annum)

S. No	Financial Year	Average Processing Weight (in MT) per Hour per Machine	No of Available Machines*[8]	Processing Time Per Day (Hrs)	Processing Time Per Annum (Days)	Installed Capacity (MT)
1	2022-23	0.039	20	16	300	3,744.00
2	2023-24	0.039	24	16	300	4,492.80
3	2024-25	0.039	24	16	300	4,492.80
5	2025-26**	Refer ***FY 2025-26 Capacity Assessment*				

[8]Refer Table 6

Note: The production is carried out in double shift i.e 08 Hrs x 02 shifts = 16 Hrs per day

FY 2025-26 Capacity Assessment:

Available Machines upto 30 September 2025: 29 Nos

*Capacity contributed by these machines in **H1** (01 April 2025 to 30 September 2025): 0.039 MT per Hr x 16 Hrs per day x 29 machines x 150 Days = **2,714.40 MT***

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*Capacity contributed by these machines in **H2** (01 October 2025 to 31 March 2026): 0.039 MT per Hr x 16 Hrs per day x 27 machines x 150 Days = **2,527.20 MT** (Since 02 machines have been sold-out by the company)*

****During FY 2025-26, the company acquired **eight** additional machines, as detailed in Table 6. As these machines were commissioned progressively between October 2025 and January 2026, their contribution to the overall production capacity has been assessed proportionately, considering the period for which they were operational during the financial year:*

1. *Capacity contributed by the machine purchased on 17/10/2025: 0.039 x 16 Hrs per Day x 164 Days upto 31 March 2026= 102.33 MT*
2. *Capacity contributed by the machine purchased on 19/10/2025: 0.039 x 16 Hrs per Day x 162 Days upto 31 March 2026= 101.08 MT*
3. *Capacity contributed by the machine purchased on 29/10/2025: 0.039 x 16 Hrs per Day x 152 Days upto 31 March 2026= 94.85 MT*
4. *Capacity contributed by the machine put-to-use on 30/12/2025: 0.039 x 16 Hrs per Day x 92 Days upto 31 March 2026= 57.41 MT*
5. *Capacity contributed by the machine purchased on 13/11/2025: 0.039 x 16 Hrs per Day x 138 Days x 02 Machines upto 31 March 2026= 172.22 MT*
6. *Capacity contributed by the machine purchased on 09/01/2026: 0.039 x 16 Hrs per Day x 81 Days upto 31 March 2026= 50.54 MT*
7. *Capacity contributed by the machine purchased on 24/01/2026: 0.039 x 16 Hrs per Day x 66 Days upto 31 March 2026= 41.18 MT*

Total Capacity Contributed by these machines during H2= 619.61 MT

Total Capacity of the machining process in FY 2025-26=** 2,714.40 MT + 2,527.20 MT + 619.61 MT = **5,861.21 MT

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LIST OF MACHINES USED IN PRODUCTION:

***6 Table 4: Cutting Process**

S. No	Name of Machine	Date of Purchase	Supplier	Qty
Machinery put in use up to FY 2022-23				
1	Band Saw Machine	28.06.2018	Malwa Machine Tools (India) Pvt Ltd	01 No
2	Band Saw Machine	18.08.2018	Malwa Machine Tools (India) Pvt Ltd	01 No
3	Band Saw Machine	03.01.2018	Malwa Machine Tools (India) Pvt Ltd	01 No
4	Band Saw Machine	26.03.2010	Malwa Machine Tools (India) Pvt Ltd	01 No
Machinery put in use in FY 2023-24				
1	Oil used Band Saw Machine	05.08.2023	Shivam CNC Solutions	01 No
Machinery put in use in FY 2024-25				
1	Oil used Band Saw Machine	27.03.2025	Northstar Autocomp Pvt Ltd	01 No
Machinery put in use in FY 2025-26				
1	High Speed Circular Saw	26.03.2026	Northstar Autocomp Pvt Ltd	01 No

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***7 Table 5: Forging Process**

S. No	Name of Machine	Date of Purchase	Supplier	Qty
Machinery put in use up to FY 2025-26				

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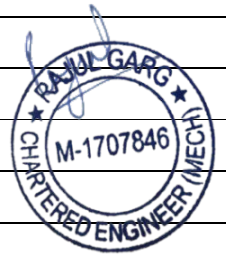
1	Upsetter 6" - 1200 ton	2000	Smeral Brno	01 No
2	Upsetter 6.50" - 1250 ton	2009	NKMZ - Novokramatorsky Mashinostroitelny Zavod	01 No
3	Upsetter 4" - 800 ton	Before 1996	National Machinery LLC	01 No
4	Upsetter 2.5" - 500 ton	Before 1996	Ajax Manufacturing Co	01 No

*8 **Table 6: Machining Process**

S. No	Name of Machine	Date of Purchase	Supplier	Qty
Machinery put in use up to FY 2022-23				
1	CNC Turning Lathe Machine	Before 1996	Yamazaki Mazak Corporation	01 No
2	CNC Turning Lathe Machine	31/05/2022	Jaewoo Machines Pvt Ltd	01 No
3	CNC Turning Lathe Machine	02/03/2022	JV Exports	01 No
4	CNC Turning Lathe Machine	29/12/2021	JV Exports	01 No
5	CNC Turning Lathe Machine	08/10/2021	JV Exports	01 No
6	CNC Turning Lathe Machine	27/11/2009	Jyoti Cnc Automation Pvt Ltd	01 No
7	CNC Turning Lathe Machine	09/12/2021	JV Exports	01 No
8	CNC Turning Lathe Machine	02/12/2021	JV Exports	01 No
9	CNC Turning Lathe Machine	31/05/2022	JV Exports	01 No
10	CNC Turning Lathe Machine	03/11/2021	JV Exports	01 No



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11	CNC Turning Lathe Machine	25/10/2021	JV Exports	01 No
12	CNC Turning Lathe Machine	25/10/2021	JV Exports	01 No
13	CNC Turning Lathe Machine	18/09/2012	Doosan Infracore Co. Ltd.	01 No
14	CNC Turning Lathe Machine	2006	Doosan Infracore Co. Ltd.	01 No
15	CNC Turning Lathe Machine	10/26/2012	Doosan Infracore Co. Ltd.	01 No
16	CNC Turning Lathe Machine	Before 1996	Yamazaki Mazak Corporation	01 No
17	CNC Turning Lathe Machine	10/12/2019	JV Exports	01 No
18	CNC Turning Lathe Machine	20/07/2020	JV Exports	01 No
Machinery put in use in FY 2023-24				
1	CNC Turning Lathe Machine	29/12/2023	Yamazaki Mazak Corporation	01 No
2	CNC Turning Lathe Machine	30/04/2023	JV Exports	01 No
3	CNC Turning Lathe Machine	12/07/2023	Lakshami Machine Works Limited	01 No
4	CNC Turning Lathe Machine	30/04/2023	JV Exports	01 No
Machinery put in use in FY 2024-25				
1	Nil	Nil	Nil	Nil
Machinery Deployed in FY 2025-26				
1	CNC Turning Lathe Machine	30/08/2025	Jaewoo Machines Pvt Ltd	01 No
2	CNC Turning Lathe Machine	28/08/2025	Jaewoo Machines Pvt Ltd	01 No

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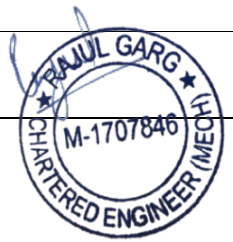
3	CNC Turning Lathe Machine	29/08/2025	Jaewoo Machines Pvt Ltd	01 No
4	CNC Turning Lathe Machine	11/06/2025	Jyoti CNC Automation Ltd	01 No
5	CNC Turning Lathe Machine	29/08/2025	Jaewoo Machines Pvt Ltd	01 No
6	CNC Machine- Jyoti	17/10/2025	Jyoti CNC Automation Ltd	01 No
7	CNC Machine- Jyoti	19/10/2025	Jyoti CNC Automation Ltd	01 No
8	CNC Vertical Machining Centre- ACE	29/10/2025	Ace Designers Ltd- Machining Centre Division	01 No
9	CNC Machine- ART 1200+ Long Stroke Quill	30/10/2025	Jaewoo Machines Pvt Ltd	01 No
10	CNC Lathe Machine- ACE	13/11/2025	Ace Designers Ltd- Machining Centre Division	01 No
11	CNC Lathe Machine- ACE	13/11/2025	Ace Designers Ltd- Machining Centre Division	01 No
12	CNC Machine- ART 550	09/01/2026	Jaewoo Machines Pvt Ltd	01 No
13	CNC Machine- ART 1200+ Long Stroke Quill	24/01/2026	Jaewoo Machines Pvt Ltd	01 No



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LIST OF ANCILLARY/ SUPPORTING MACHINES

Sr. No.	Machine Name	Qty
1	2-D Height Gauge	1
2	Air Compressor	2
3	Band Saw Machine	7
4	Bench Grinder Machine	2
5	Center Facing Machine	3
6	CNC Grinding Machine	5
7	Contracer Machine	1
8	Coordinate Measuring Machine	1
9	Copy Turning Machine	2
10	Disc Grinder	1
11	Drilling Machine	7
12	Forging Furnace	3
13	Gear Shaper Machine	1
14	Grinding Machine	10
15	GROB Machine	1

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16	Hardening Furnace	1
17	Hobbing Machines	14
18	Induction Hardening Machine	7
19	Induction Heater	2
20	Lathe Machine	35
21	Magna Flux Machine	3
22	Main LT Panel	1
23	Milling Machine	1
24	Muffles Furnace	1
25	Normalizing Furnace	1
26	Over Head Crane	2
27	Polishing Machine	1
28	Power Hacksaw	2
29	Profile Projector	1
30	Reaming Machine	2
31	Roughness Master	2
32	Roughness Tester	1

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33	Slip Gauge	1
34	Straightening Hydraulic Press	5
35	Sweeping Machine	1
36	Tempering Furnace	6
37	Transformer 1000 KVA	1
38	Transformer 1600 KVA	1
39	Transformer 300 KVA	1
40	Transformer 500 KVA	1
41	Transformer 750 KVA	1
42	Transformer 850 KVA	1
43	Vacuum CKT Breaker	2
44	Vertical Machining Centre (VMC)	11
45	Welding Set	5
46	Induction Furnace- 700 KW	1

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PROPOSED PLANT CAPACITY (THROUGH IPO PROCEEDS AND TERM LOANS)

Name of Key Operations	Product Average Processing Weight (in MT) per Hour per Proposed Machine	No of Proposed Machines	Processing Time Per Day of the Proposed Machinery	Processing Time Per Annum of the Proposed Machinery	Proposed Capacity (MT)	Existing Capacity (in MT)	Total Extended Capacity (in MT) *
Cutting	0.300	Nil	16 Hrs	300 Days	**Nil**	10,080.00**	10,080.00
Forging	0.405	03	16 Hrs	300 Days	**5,832.00**	7,776.00	13,608.00
Machining	0.039	12#	16 Hrs	300 Days	**2,246.40**	6,552.00***	8,798.40
Total		**15**			**8,078.40**	**24,408.00**	**32,486.40**

** Total Extended Capacity per Annum (in MT) = Proposed Capacity per Annum (in MT) + Existing Capacity per Annum (in MT)*

***A new machine in Cutting was installed on March 26, 2026 leading to no significant increase in the capacity for FY 2026. However, it has been taken effect for full year for the computation of proposed capacity.*

**** Based on total existing machines (whole year basis) - 35 Nos*

#Out of the 12 machines, 08 machines are from IPO Proceeds and 04 machines are from term loans.

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PROPOSED PLANT CAPACITY (THROUGH IPO PROCEED)

Name of Key Operations	No. of Proposed Machines	Proposed Capacity (in MT)	Existing Capacity (in MT)	Total Extended Capacity* (in MT)
Cutting	Nil	Nil	10,080.00**	10,080.00
Forging	03	5,832.00	7,776.00	13,608.00
Machining	08	1,497.60	6,552.00***	8,049.60

** Total Extended Capacity per Annum (in MT) = Proposed Capacity per Annum (in MT) + Existing Capacity per Annum (in MT)*
***A new machine in Cutting was installed on March 26, 2026 leading to no significant increase in the capacity for FY 2026. However, it has been taken effect for full year for the computation of proposed capacity.*
**** Based on total existing machines (whole year basis) - 35 Nos*

Assumptions Considered while Estimating the Proposed Capacity:

The estimation of the proposed production capacity has been carried out based on the prevailing operating conditions and infrastructure of the existing manufacturing plant. For this purpose, the Chartered Engineer has assumed operation of the plant in two shifts per day, aggregating to 16 effective working hours, and 300 working days in a year, which is in line with the company's current production practices, manpower availability, statutory working norms, and routine allowances for maintenance, breakdowns, holidays, and non-productive time. These assumptions are considered realistic and achievable under normal operating conditions and therefore provide a fair and reasonable basis for assessing the proposed capacity of the plant.

The following machinery is proposed to be procured from the net proceeds, in line with the quotations submitted by the Company.

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S. No	Name of Machine	Supplier Detail	Proposed Quantity (Nos)	Purpose of Machine	Operation Segment	Fund Utilization
1	Gas Fired Continuous Hardening & Tempering Furnace	**Name of Supplier**: Dhruv Engineering **Quotation No**: DE/SEP2309/25 **Date**: 23.09.2025	01	Gas Fired Continuous Hardening & Tempering Furnace is used for the heat treatment of critical components such as gears, shafts, axles, and fasteners to achieve the required hardness, strength, and toughness.	Machining	From Term Loan
2	Induction End Bar Heating Furnace	**Name of Supplier**: Rajoo Engineers **Quotation No**: Not Available **Date**: 23.09.2025	02	Induction End Bar Heating Furnace is used to rapidly and precisely heat the ends of metal bars or billets prior to forging or forming operations.	Machining	*From IPO Proceeds*
3	Upsetting Machine 630 Ton/ 710 Ton Ton	**Name of Supplier**: XUZHOU Press Technology	01	A 630 Ton/ 710 Ton Upsetting Machine is used for high-force	Forging	*From IPO Proceeds*

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		Machinery Co., Ltd **Quotation No**: Happysteel -XUZ-001 **Date**: 19.11.2025		forging operations to increase the cross-section and strength of metal bars by axially compressing the material.		
4	Forging Machine 630 Ton	**Name of Supplier**: XUZHOU Press Technology Machinery Co., Ltd **Quotation No**: Happysteel -XUZ-001 **Date**: 19.11.2025	01	In the automotive industry, a 630-Ton Rotary Forging Machine is used to produce high-strength, precision-forged components such as shafts, gears, and transmission parts.	Forging	*From IPO Proceeds*
5	CNC Hobbing Machine	**Name of Supplier**: EIFCO Machine Tools Private Limited **Quotation No**: #29 11 25- 15 **Date**: 29.11.2025	02	CNC Hobbing Machine is used for precision cutting of gears and splines required in transmissions, differentials, and steering systems. It provides high accuracy, consistent tooth profiles, superior surface finish, and repeatability, making it	Machining	From Term Loan

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				essential for mass production of reliable and high-performance automotive drivetrain components.		
6	CNC Turning Centres	**Name of Supplier**: Jaewoo Machines Private Limited **Quotation No**: 06JW14K2025 **Date**: 14.11.2025	02	CNC Turning Centres are used for high-precision machining of cylindrical and rotational components such as shafts, hubs, pins, and bushings. They provide dimensional accuracy, repeatability, and surface finish with high productivity, making them suitable for mass production of critical automotive parts	Machining	*From IPO Proceeds*
7	Vertical Machining Centres	**Name of Supplier**: Jaewoo Machines Private Limited **Quotation No**: 06JW14K2025	02	Vertical Machining Centres (VMCs) are used for precision milling, drilling, tapping, and contouring of	Machining	*From IPO Proceeds*

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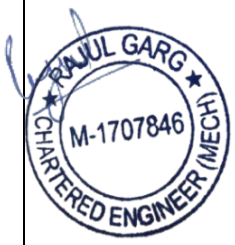
		Date: 14.11.2025		components such as engine parts, brackets, housings, and transmission components. They provides high accuracy, consistency, and productivity, supporting large-scale manufacturing of complex automotive parts with tight tolerance		
8	Induction End Hardening Machine- 350 KW 	**Name of Supplier**: Rajoo Engineers **Quotation No**: RE/ QUT /121/2025-26 **Date**: 11.12.2025	01	An Induction End Hardening Machine (350 kW) is a high-power heat treatment system used for selective surface hardening of component ends such as shafts, bars, and rods. The 350-kW power rating enables rapid and controlled heating to the required hardening temperature, followed by	Machining	*From IPO Proceeds*

				quenching, ensuring improved wear resistance, strength, and fatigue life while maintaining a tough core.		
9	Induction End Hardening Machine- 250 KW 	**Name of Supplier**: Rajoo Engineers **Quotation No**: RE/ QUT /122/2025-26 **Date**: 11.12.2025	01	An Induction End Hardening Machine (250 kW) is used for localized heat treatment of component ends such as shafts, rods, and bars. The 250-kW capacity provides fast and precise heating to achieve the desired surface hardness, followed by controlled quenching, enhancing wear resistance and durability while preserving the core toughness.	Machining	*From IPO Proceeds*
10	Tempering Furnace	**Name of Supplier**: Vishvakarma Electronics	01	Tempering Furnace is used after hardening processes to reduce	Machining	From Term Loan

		Quotation No: Not Available **Date**: 08.12.2025		brittleness and relieve internal stresses in heat-treated components such as gears, shafts, and fasteners. It improves toughness, dimensional stability, and service life, ensuring components meet the required mechanical and performance standards.		
11	Forging Press 	**Name of Supplier**: Infinite Forge tech Private Limited **Quotation No**: Not Available **Date**: 17.12.2025	01	Forging Press is used to shape heated metal into high-strength components such as crankshafts, connecting rods, gears, and axles. The forging process provides superior grain flow, enhanced mechanical properties, dimensional accuracy, and reliability, making it suitable for producing critical load-	Forging	*From IPO Proceeds*

				bearing automotive parts.		
Total Machines Proposed			**15**			

Note:

In a forging operation, the Upsetting Machine (630 Ton/ 710 Ton) and the Forging Machine (630 Ton) f-unction as an integrated and continuous production system rather than as independent units. The upsetting machine performs the critical initial operation of material redistribution by increasing the cross-section at designated locations, thereby preparing the billet/preform with the required mass and geometry. This preform is then immediately transferred to the forging machine, where final shaping, dimensional accuracy, and mechanical properties are achieved through closed-die forging. The output quality, productivity, and capacity of the forging machine are directly dependent on the consistent and synchronized operation of the upsetting machine, and vice versa. Any mismatch in tonnage, cycle time, or availability of one machine directly constrains the other, making them technically inseparable in terms of process flow, capacity assessment, and operational utilization. Hence, from a technical and functional standpoint, both machines are justifiably considered as a single unit forming a continuous forging line.

ASSUMPTIONS, CAVEAT AND DECLARATION BY THE CHARTERED ENGINEER:

a. This certificate is issued with the limited scope of work, as determined by the client.
b. The information furnished in this report is true and correct to the best of my knowledge and belief and based on the documents and information made available by the Client followed by the site inspection by the Chartered Engineers and their team.

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c. We have no direct and indirect interest in the asset assessed.

d. We do not bear any responsibility to the legal matters concerning to the title status of the asset. This certificate is issued purely as the opinion based upon several assumptions and has no legal or contractual obligation on Chartered Engineer's part.

e. Undersigned are the Member of Institution of Engineers (India), and eligible as per the Declaration No. 16 of the Royal Charter, 1935 and Clause 69(i) of the Bye-Laws and Regulations of the Institution and is entitled to use the style and title of Chartered Engineer (India).

RAJUL GARG
M-1707846
CHARTERED ENGINEER (MECH)

Rajul Garg
Chartered Engineer (Mechanical Division)
Member of Institution of Engineers (India)
Reg. No.: M-1707846
Date: June 17, 2026
Place: New Delhi

****** END OF THE CERTIFICATE******