

PROJECT FEASIBILITY REPORT

Date: July 09, 2026

To,
Board of Directors
Metalic Technoforge Limited
Sr. No.-129/1P4(New Survey no.296), Plot No.- 05 & 06,
Padavala Main Road, Opp. Electric Power House, Village- Padavala,
Veraval (Shapar), Rajkot, Kotda Sanghani, Gujarat, India, 360024

And

To
Smart Horizon Capital Advisors Pvt Ltd
B/908, Western Edge II,
Kanakia Space, Behind Metro Mall,
Off Western Express Highway,
Magathane, Borivali East,
Mumbai – 400066, Maharashtra, India.

Subject: Feasibility Report for setting up a Setting up of the proposed Manufacturing Unit IV and upgradation of existing units at manufacturing facility in Rajkot, Gujarat.

As the Company is engaged in the business of manufacturing of closed die forged and precision-machined components. Companies product portfolio comprises of a wide range of complex and safety critical forged and precision-machined products, including big rings, small rings, ball studs, gear blanks with broaching, gears, coupling assemblies and other critical components for catering to diverse end-use industries.

The Company operates a manufacturing facility located at Rajkot, Gujarat, covering the area of 5,968.51 square meters. which comprises of:

Sr.no	Unit No.	Present Usage of the Unit
1.	Unit I	Registered Office and primarily used for forging, heat treatment, shot blasting and quality control.
2.	Unit II	This unit is equipped with facilities of machining shop, storage of finished products, packaging and dispatch.
3.	Unit III	This unit is primarily used for raw material storage, cutting, die manufacturing and tooling shop.
4.	Unit IV	Presently this is a vacant land, proposed for setting up of the proposed Manufacturing Unit IV.

As mentioned in above table Units I, II and III are operational and utilized by the Company for its existing business operations, while Unit IV, is presently vacant and proposed to be utilized for the setting up of manufacturing Unit IV, and for manufacturing of existing products in company portfolio.

Objectives and benefits of capital expenditure towards setting up unit IV:

- **Current capacity utilization and constraints:** At present, our Company has an installed forging and



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machining capacity of approximately 6,800 metric tons per annum, against which the current utilization in FY 2025-26 stands at approximately 6,135.10 metric tons per annum, translating to a capacity utilization of around 90.22%. During FY 2024-25, our Company was operating at 89.67% level of capacity utilization, which reflects strong demand from its existing customers. However, the current infrastructure and space availability impose constraints on further capacity expansion, process optimization, and installation of additional machinery.

To address these constraints, our Company proposes to expand its manufacturing capabilities by adding incremental capacity through the installation of additional machinery, to the existing capacity. This is expected to enhance operational efficiency, reduce dependency on third-party vendors, improve quality control, and result in better cost management and profitability. The proposed capital expenditure is intended for enhancing the manufacturing capacity of existing products forming part of the Company's current product portfolio. The proposed capital expenditure is intended to support expansion of the Company's manufacturing capabilities and operational infrastructure, while also facilitating backward integration of certain manufacturing processes and tooling-related activities that are presently undertaken through external service providers.

Following are the unit-wise details of the proposed capacity expansion and backward integration initiatives to be undertaken by the Company pursuant to the proposed capital expenditure:

Name of Unit	Proposed addition in capacity / backward integration process
Proposed Unit IV	Proposed Expansion: - Establishment of an additional forging facility at Unit IV comprising, inter alia, a 400 Ton Direct Belt Drive HMI Screw Press (Servo-Operated Screw Press) and associated infrastructure. Benefits: - Increase in the Company's installed forging capacity from 6,800.00 metric tons per annum to 8,800.00 metric tons per annum. - Enhancement of production throughput and operational flexibility across forging operations. - Strengthening of the Company's capability to manufacture forged blanks and near-net-shape components for transmission systems, gear applications and other precision-engineered automotive components. - Improved dimensional consistency and process control in forging operations. - Support for manufacturing of components requiring tighter dimensional tolerances and reduced downstream machining requirements. - Facilitation of improved material utilization and forging process efficiency.
Unit III	Proposed Expansion: - Installation of additional raw material cutting equipment, machining centres and die manufacturing infrastructure. - Development of additional civil infrastructure, including construction of a manufacturing shed and pre-engineered building structure. Benefits: - Enhancement of raw material preparation and billet cutting capacity. - Improvement in cutting accuracy, dimensional consistency and material utilization. Strengthening of raw material handling and storage infrastructure.



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Unit II	Proposed Expansion: - Acquisition and installation of advanced gear teeth cutting and finishing, grinding, heat treatment, inspection and material handling equipment, including gear grinding machines, CNC grinding machines, sealed quench furnace, CNC lathes, measuring and testing equipment and related infrastructure Benefits: - Enhancement of the Company's precision gear teeth cutting and finishing capabilities. - Backward integration of critical heat treatment operations presently undertaken through external vendors. - Reduction in dependence on third-party vendors for precision gear grinding and cylindrical grinding activities. - Strengthening of in-house machining, grinding, inspection and quality control infrastructure. Improvement in dimensional accuracy, surface finish and consistency of manufactured components.
Unit I	Proposed Expansion: - Enhancement of metallurgical testing, material evaluation, quality assurance and inspection infrastructure through installation of advanced testing equipment. Benefits: - Improved capability to evaluate mechanical, chemical and metallurgical characteristics of raw materials and finished components. - Reduction in dependence on external testing laboratories for metallurgical testing and evaluation capabilities. - Improved turnaround time for testing, validation and quality control processes. - Support for increasing customer quality requirements and product complexity.

- Cost optimization:** Due to the high utilization of existing in-house manufacturing capacity, our Company currently undertakes certain operations through job work and outsourced vendors to meet production requirements. While this approach supports demand fulfilment, it may lead to operational challenges such as increased dependency on third parties, potential delays in delivery schedules, and variability in quality standards. The proposed expansion is expected to enable the Company to bring key processes in-house, including forging, pre-machining, and intermediate operations, thereby reducing reliance on external vendors.

The addition of Unit IV is expected to increase the Company's forging capacity and support operational efficiency through establishment of a dedicated forging facility, enabling improved production planning, material handling and workflow management. This is expected to reduce internal handling time, improve workflow efficiency, and enhance safety and shopfloor management. This is expected to improve control over production planning, quality consistency, and turnaround time, while minimizing risks associated with delays and rejections arising from outsourced operations. In addition, the reduction in outsourcing is expected to improve cost efficiency and enhance operational performance.

- Strengthening our integrated manufacturing model:** Our Company follows an integrated manufacturing approach, wherein key processes such as design and development, forging, heat treatment, machining and gear cutting and finishing are undertaken in-house. However, certain processes, including select machining operations, specialised testing, inspection and ancillary activities, are currently outsourced to third-party vendors. The proposed expansion is expected to further strengthen our manufacturing capabilities by enabling backward integration of certain outsourced processes, enhancing operational efficiencies and increasing our



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ability to handle technically complex and high-precision components.

- **Technology upgradation and process efficiency:** The upgradation of existing units through the addition of advanced machinery and equipment is expected to significantly enhance the Company's manufacturing capabilities, operational efficiency, and quality standards. The proposed upgrades will improve precision, repeatability, and automation across critical manufacturing processes, enabling the production of high-tolerance, safety-critical, and complex components.

It is also expected to support better process control and monitoring, thereby helping sustain the Company's existing quality standards, minimizing process variability and maintaining low rejection and rework levels. Further, such upgradation will enhance productivity per machine and optimize manpower utilization through improved cycle times and automation, thereby improving overall operational performance.

- **Capability Enhancement through capacity expansion and technology upgradation:** The proposed capital expenditure is expected to strengthen the Company's manufacturing capabilities through the establishment of an additional forging line at Unit IV, addition of precision gear teeth cutting and finishing equipments and heat treatment capabilities at Unit II, enhancement of metallurgical testing and inspection infrastructure at Unit I and expansion of raw material preparation and die manufacturing capabilities at Unit III. The proposed investments are expected to improve manufacturing flexibility, strengthen process control, enhance testing and quality assurance capabilities, increase raw material preparation capacity, facilitate backward integration of selected manufacturing activities and support the manufacture of components requiring higher dimensional accuracy, improved surface finish and tighter quality specifications in accordance with customer requirements across automotive and industrial applications.
- **Strengthening quality control and customer confidence:** The proposed capital expenditure is expected to strengthen the Company's quality control framework by enhancing in-house inspection and testing capabilities. This will help ensure adherence to customer specifications, reduce rejection rates, and improve customer satisfaction.

Estimated cost for the proposed manufacturing unit IV:

The cost of setting up of the proposed Manufacturing Unit IV and upgradation of existing units includes expenditure towards, civil and structural work, design, fabrication and erection of PEB Shed, electrical work and accessories fitting, purchase machinery and equipment's for production. The total estimated cost for the proposed expansion is ₹3,081.13 lakhs comprising of cost of ₹554.78lakhs towards civil and structural work, design, fabrication and erection of PEB Shed, electrical work and cost of ₹2,526.35 lakhs towards machinery and equipment.

The proposed manufacturing Unit IV is located at, Plot No. 7 Revenue Survey No. 296 (Old Revenue Survey No. 129/1 Paiki 4) of Village Padavala, Tal, Kotda Sangani, District Rajkot-360024 Gujarat. covering the area of 788.02 Sq meters. The Company has taken Unit IV on lease for a period of fifteen (15) years, effective from October 15, 2025, pursuant to a lease agreement dated October 17, 2025, entered into with the lessor, Mr. Kapadiya Prabhaben Keshavbhai.

The total estimated cost and amount to be utilized for the proposed expansion comprises the following:

(₹ in Lakhs)		
Sr. No.	Particulars	Total Estimated Cost*
i.	Construction and civil work	554.78
ii.	Machinery and Equipment's	2,526.35
	Total	3,081.13

*This cost is calculated based on the quotations from various vendors provided by the company



25/11/2025

Break-up of the estimated cost for the proposed expansion:

i. Construction and Civil Work:

To construct a manufacturing unit IV and factory shed at unit III in order to accommodate the machineries to be installed at the expansion site. The total estimated cost for the civil and construction work for the proposed expansion is ₹554.78 lakhs, excluding GST. The detailed bifurcation of the estimated construction and civil cost is as follows:

Sr No	Description	Estimated Qty	Rate	Unit	Amount*
For Unit IV					
1.	Shed-Civil	5,745.84	600.00	SqFt	34,47,504.00
2.	Cooling Tower Civil Work	1.00	15,00,000.00	Nos	15,00,000.00
3.	Transformer Platform Civil	1.00	47,50,000.00	Nos	47,50,000.00
4.	Cable Trench	1,968.00	650.00	SqFt	12,79,200.00
5.	Panel Room	1,000.00	1,600	SqFt	16,00,000.00
6.	Foundation 400T	1.00	20,00,000.00	Nos	20,00,000.00
7.	Foundation 1200T	1.00	45,00,000.00	Nos	45,00,000.00
8.	Shed-PEB	55,000.00	175.00	Kgs	96,25,000.00
9.	Drive & Control System	1.00	65,00,000.00	Nos	65,00,000.00
10.	Cables, Wires & Electric Goods for Forging Plant	1.00	40,00,000.00	Nos	40,00,000.00
11.	1600 KVA, 11000/415 V On Load Distribution Transtormer [IS 1180, Level-1 (Part-1)/4 (2014)] with "EC Grade LV Copper Foil Winding"	1.00	50,50,000.00	Nos	50,50,000.00
12.	Cooling Tower Machine 250T	1.00	5,25,000.00	Nos	5,25,000.00
For Unit III					
13.	Shed-Civil	4,711.23	600.00	SqFt	28,26,738.00
14.	Shed-PEB	45,000.00	175.00	Kg	78,75,000.00
Amount					5,54,78,442.00
Amount in Lakhs					554.78

*GST or any other applicable tax/cost shall be paid from our internal accruals.

Notes:

For the above construction company has obtained quotation dated March 28, 2026 from M/s. Alpa Infrastructure Limited. The validity of the quotation is for a period of 365 days

ii. Machinery and Equipment's

The machinery and equipment proposed for the expansion are intended for production, quality control, and testing purposes. Certain machines are high-precision and technologically advanced equipment, including gear grinding and finishing machines, which are designed to achieve superior dimensional accuracy and surface finish for critical components. These machines are capable of performing precision operations under controlled conditions and are aligned with stringent industry requirements. Such equipment is engineered to meet specific operational and customer requirements and is capable of handling complex geometries and tight tolerances. These machines also facilitate performance evaluation under actual operating conditions, including load-based checks, ensuring that the manufactured components comply with applicable technical specifications, performance standards, and end-use operational requirements. The Company has identified the type of machineries and equipments to be purchased



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towards this object and obtained quotations from various vendors. The total estimated cost for machineries and equipments is ₹2,526.35 lakhs.

(₹ in Lakhs)	
Machineries and Equipment's Cost	Amount
Unit IV	302.26
Unit III	266.25
Unit II	1,881.76
Unit I	76.08
Total Machineries and Equipment's	2,526.35

Notes:

- GST or any other applicable tax including freight, insurance and custom clearance charges etc shall be paid by the company from internal accruals
- Total amount is considered after discount wherever applicable
- the above amount is calculated based on the quotations provided by the company for budget estimation purpose.
- Quotation received from the vendors are valid as on the date of this report.
- Company is not acquiring any second-hand machinery

Implementation Schedule

The project is anticipated to progress through the following phases, each with its respective timeline: -

Phase / Task	Time Estimate
Land	Already leased
Commencement of Construction	Within 1 month of receipt of funds (September, 2026)
Commencement of MEP, HVAC, Fire Protection Work	Approximately 6 months post construction starts (March, 2027)
Completion of Civil Work	Estimated 9-10 months (March, 2027 to October, 2027)
Installation of plant and machineries	Estimated 2 months (November, 2027 to December, 2027)
Commissioning of plant and machineries	Estimated 2 months (January, 2028 to February, 2028)
Operationalization of Unit	Within 15-18 months of receipt of funds (March 31, 2028)

Utilities:

Raw Material: Raw material includes round bars of alloy or carbon steel etc. for the manufacturing process. Cost of initial raw material will be funded by the Company through internal accruals.

Power and Water: The requirements for power supply for the proposed facility shall be obtained from the local authorities.

Water: The requirements for distilled water supply for manufacturing purpose for the proposed facility shall be obtained from the local vendors.

Government and other Approvals



Signature

In relation to the proposed manufacturing unit, Company is required to obtain certain approvals, which are routine in nature, from certain governmental or local authorities, the status of which is provided below:

Sr. No.	Approval	Authority	Required At	Status
Before Construction				
1	Application for Consent to Establish Factory	Joint Director, Office of Industrial Safety & Health	Prior to commencement of construction	Application made on February 06, 2026 Approval of Map received under the Factories Act, 1948 JDISH/F-Plans/2026/569 dated. February 17, 2026
After Construction				
2	Application for Power and Electricity Connection	Paschim Gujarat Vij Company Limited	Before Completion of project	Application to be filed at relevant stage
3	Consent to operate under the Water (prevention and Control of Pollution) Act 1974 and (Air prevention and control of Pollution) Act 1981	Gujarat Pollution Control Board	Before Completion of project	Application made bearing GPCB ID 135451 ,Inward ID: 466570 dated June 18, 2026 and the same is pending with the Gujarat Pollution Control Board, Gandhinagar.
4	Electricity Connection	Paschim Gujarat Vij Company Limited	Before Completion of project	Application to be filed at relevant stage

9. Conclusion

Based on the assessment of the proposed site, planned operational layout, nature of manufacturing activities, infrastructure requirements, installation of plant and machinery, utilities and manpower deployment, it is concluded that the identified location is adequate and suitable for establishing the proposed manufacturing unit of the Company.

The estimated project costs as detailed in this Feasibility Report, covering infrastructure, machinery, utilities and associated set-up expenses, are reasonable and commensurate with prevailing market rates and industry practices for similar facilities. Subject to obtaining the requisite statutory approvals and timely implementation in accordance with the proposed schedule, the project is technically feasible and operationally viable. The proposed set-up is expected to enable improved workflow efficiency and better operational control to support the Company's planned manufacturing activities.

PLACE: RAJKOT
DATED: 09/07/2026

AUTH. SIGN.

BABULAL A. UGHREJA
Reg. No. M. 115758/7



Babulal A. Ughreja